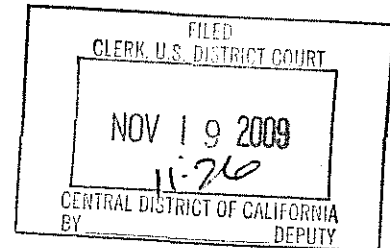


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Attorneys for Defendant
Secured Bankers Mortgage Company, dba
SBMC Mortgage



UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

JOSEPH BAZO, a.k.a., JOE BAZO,
VERENA BAZO,

Plaintiffs,

vs.

SAXON MORTGAGE SERVICES,
INC.; SBMC MORTGAGE;
MORTGAGE ELECTRONIC
REGISTRATION SYSTEM, INC.; T.D.
SERVICE CO.; OLD REPUBLIC
DEFAULT MANAGEMENT
SERVICES, A DIVISION OF OLD
REPUBLIC NATIONAL TITLE
INSURANCE COMPANY' LAKE
TWO, LLC; DOES 1 Through 50,
Inclusive,

Defendants.

Case No.

CV 09-8515 MMM FRDX

**NOTICE OF REMOVAL OF
ACTION BY DEFENDANT
SECURED BANKERS MORTGAGE
COMPANY UNDER 28 U.S.C. § 1441**

(FEDERAL QUESTION
JURISDICTION; 28 U.S.C. § 1331)

1 **TO THE CLERK OF THE ABOVE-ENTITLED COURT, PLAINTIFFS**
2 **HEREIN AND THEIR COUNSEL:**

3 **PLEASE TAKE NOTICE** that defendant Secured Bankers Mortgage
4 Company, doing business as SBMC Mortgage ("SBMC"), hereby removes to this
5 Court the action described below from the Superior Court of the State of California
6 for the County of Los Angeles on grounds of federal question jurisdiction under 28
7 U.S.C. § 1331 as follows:

8 **1. The Action:**

9 On or about October 15, 2009, Plaintiffs Joseph Bazo and Verena Bazo
10 ("Plaintiffs") commenced an action in the Superior Court of the State of California
11 for the County of Los Angeles (the "Superior Court") entitled *Joseph Bazo, a.k.a.,*
12 *Joe Bazo, Verena Bazo vs. Saxon Mortgage Services, Inc.; SBMC Mortgage;*
13 *Mortgage Electronic Registration System, Inc.; T.D. Service Co.; Old Republic*
14 *Default Management Services, a division of Old Republic National Title Insurance*
15 *Company; Lake Two, LLC; Does 1 through 50, Inclusive, Case Number*
16 *YC 060827.*

17
18 **2. Basis for Removal:**

19 This action is a civil action over which this Court has original jurisdiction
20 under 28 U.S.C. § 1331, and is one that may be removed to this Court by SBMC
21 pursuant to 28 U.S.C. § 1441(a) and (b) in that, in relevant part, it arises under
22 federal law based on Plaintiffs' purported Seventh Cause of Action under the
23 federal Truth in Lending Act, 15 U.S.C. § 1601 *et seq.* ("TILA"), as well as their
24 purported Fifteenth Cause of Action for Rescission, which is also based upon
25 TILA and federal regulations enacted thereunder. In addition, Plaintiffs' purported
26 Third Cause of Action for Unfair Debt Collection Practices arise under federal law
27 in that it is based in part upon the federal Fair Debt Collection Practices Act, 15
28 U.S.C. § 1692 *et seq.*

1 The Court has supplemental jurisdiction over the state law claims alleged by
2 Plaintiffs as those claims are so related to the alleged federal claims that they form
3 part of the same case or controversy pursuant to 28 U.S.C. § 1367(a), and grounds
4 for declining supplemental jurisdiction under 28 U.S.C. § 1367(c)(1) or (2) do not
5 exist.

6 Alternatively, this case is removable under 28 U.S.C. § 1441(c) as the claims
7 arising under federal law could be considered separate and independent claims
8 within the jurisdiction conferred by 28 U.S.C. § 1331 and have been joined with
9 one or more otherwise non-removable state law claims, making the entire action
10 removal to this Court.

11 **3. Service of Process on SBMC:**

12
13 SBMC was personally served with process in this case on or after October
14 22, 2009. A copy of the Summons, Complaint and accompanying documents
15 served on SBMC are attached hereto as Exhibit A (with loan and title order
16 numbers redacted therefrom). Attached hereto as Exhibit B is the Amended
17 Summons, First Amended Complaint and accompanying documents served on
18 SBMC on or about November 5, 2009 (with loan and title order numbers redacted
19 therefrom). These are all process, pleadings, orders, and other documents filed in
20 the Superior Court that SBMC has obtained. SBMC will respond to the First
21 Amended Complaint in accordance with Federal Rule of Civil Procedure
22 81(c)(5)(C).

23 **4. Joinder of Other Defendants Served with Process:**

24 To the best of SBMC's knowledge, as of the filing of this Notice, Defendant
25 T.D. SERVICE COMPANY is the only other defendant who has been served with
26 the summons and complaint in this action. This defendant has agreed to join in
27 this Notice and its Joinder is separately filed herewith.
28

1 **5. Other Defendants Who Have Not Yet Been Served with Process:**

2 SBMC is informed and believes, based on a good faith and diligence effort
3 by its counsel to contact each defendant, that as of the filing of this Notice,
4 defendants Saxon Mortgage Services, Inc., Mortgage Electronic Registration
5 System, Inc., Old Republic Default Management Services, a division of Old
6 Republic National Title Insurance Company, and Lake Two, LLC have not been
7 served with the summons and complaint in this action. According to the
8 information provided by the Superior Court's website, no proofs of service of the
9 summonses to these defendants have been returned to the Superior Court. Should
10 any of these defendants have in fact been served with process in the matter, SBMC
11 will promptly obtain and file their joinders in this Notice.

12 **6. Notice to Adverse Party and Superior Court:**

13 A copy of this Notice of Removal will be served on Plaintiffs and filed with
14 the Clerk of the Superior Court in accordance with 28, U.S.C § 1446(d). A copy of
15 the Notice to the Superior Court and to Plaintiffs (without exhibits) that will be
16 served and filed is attached hereto as Exhibit C.

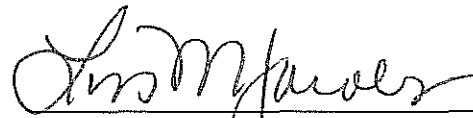
17 WHEREFOR, pursuant to 28 U.S.C. § 1446, this action shall be removed to
18 this Court upon the filing of this Notice of Removal with this Court and with the
19 Superior Court of the State of California for the County of Los Angeles.
20

21 Dated: November 19, 2009

KRALIK & JACOBS LLP

Lois Moonitz Jacobs

22 By:

23 

24 Lois Moonitz Jacobs
25 Attorneys for Defendant
26 Secured Bankers Mortgage
27 Company, dba SBMC Mortgage
28

EXHIBIT A

SUM-100

SUMMONS (CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT:

(AVISO AL DEMANDADO): SAXON MORTGAGE SERVICES INC
SBMC MORTGAGE; MORTGAGE ELECTRONIC REGISTRATION
SYSTEM, INC; T.D. SERVICE CO; OLD REPUBLIC DEFAULT
MANAGEMENT SERVICES, A DIVISION OF OLD REPUBLIC
YOU ARE BEING SUED BY PLAINTIFF: NATIONAL TITLE INSURANCE
(LO ESTÁ DEMANDANDO EL DEMANDANTE): CE COMPANY LAKE
TWO, LLC; DOES 1
Through 50 Inclusive

JOSEPH BAZO a.k.a.

JOE BAZO; VERENA BAZO

NOTICE: You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. (AVISO) Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto al dease que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desear el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

Superior Court of the
State of CALIFORNIA; Southwest Judicial
District, Torrance courthouse, 825 Maple Street, Torrance CA. 90503CASE NUMBER:
(Número del Caso):

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Law Office of Edward Lopez, APC 14640 Victory Blvd. Ste 215
Van Nuys CA. 91411; (818) 901.6598

DATE:

(Fecha)

Clark, by

(Secretario)

Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

(SEAL)

NOTICE TO THE PERSON SERVED: You are served

- ☐ as an individual defendant.
- ☐ as the person sued under the fictitious name of (specify):

- ☐ on behalf of (specify):

under: ☐ CCP 416.10 (corporation)☐ CCP 416.20 (defunct corporation)☐ CCP 416.40 (association or partnership)☐ other (specify):☐ CCP 416.60 (minor)☐ CCP 416.70 (conservatee)☐ CCP 416.90 (authorized person)

- ☐ by personal delivery on (date):

Page 1 of 1

one: (818) 901-6598
 Facsimile: (818) 901-6098
 email: elopez317@aol.com

Attorney for Plaintiffs
 JOSEPH BAZO, VERENA BAZO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES, SOUTHWEST DISTRICT

JOSEPH BAZO, a.k.a., JOE BAZO,
 VERENA BAZO,

Plaintiffs,

vs.

SAXON MORTGAGE SERVICES,
 INC.; SBMC MORTGAGE;
 MORTGAGE ELECTRONIC
 REGISTRATION SYSTEM, INC.;;
 T.D. SERVICE CO.; OLD REPUBLIC
 DEFAULT MANAGEMENT
 SERVICES, A DIVISION OF OLD
 REPUBLIC NATIONAL TITLE
 INSURANCE COMPANY' LAKE
 TWO, LLC; DOES 1 Through 50,
 Inclusive,

Defendants.

Case No.

COMPLAINT FOR:

1. BREACH OF CONTRACT
 2. BREACH OF IMPLIED COVENANT
OF FAIR DEALING ORAL CONTRACT
 3. UNFAIR DEBT COLLECTION
PRACTICES
 - 4.. PREDATORY LENDING PRACTICES,
 5. UNJUST ENRICHMENT;
 6. VIOLATION OF BUSINESS AND
PROFESSIONS CODE, SECTIONS
17200, et seq.
 7. VIOLATIONS OF T.I.L.A.
 8. VIOLATION OF STATE
REGULATION RESTRICTED FEES
 9. VIOLATION OF SECTIONS 2924, 2945,
& 2937 of CALIFORNIA CIVIL CODE;
 10. FRAUD;
 - 11.. CONSPIRACY TO DEFRAUD;
 - 12.. INTENTIONAL
MISREPRESENTATIONS;
 13. TRUSTEE'S SALE IS NULL
AND VOID;
 14. CONSTRUCTIVE FRAUD
 15. RESCISSION.
 16. DECLARATORY RELIEF
- Assigned for all Purposes to the Hon.
 , Dept

Complainants, JOSEPH BAZO, a.k.a., JOSE BAZO and VERENA BAZO ,
 (hereinafter referred to as "Plaintiffs"), for their Complaint, against defendants, and each
 one of them, alleges as follows:

I.

PARTIES

Complaint

1 1. Plaintiffs, are and at all times herein mentioned herein were individuals
2 residing in the County of Los Angeles, State of California.

3 2. Plaintiffs are informed and believe, and based upon such information and
4 belief allege, that at all times herein mentioned, defendant SAXON MORTGAGE
5 SERVICES, INC., (hereinafter referred to as "SAXON") is a a corporation organized
6 under the laws of the State of Texas, with a business address at 4708 Mercantile Drive,
7 North, Dallas, Texas 76137, and authorized to do business and registered as a Corporation
8 with the Secretary of State of California.

9 3. Plaintiffs are informed and believe, and based upon such information and
10 belief allege, that at all times herein mentioned, defendant SBMC MORTGAGE,
11 (hereinafter referred to as "SBMC") is a business organization, form unknown and not
12 registered as a Limited Partnership with the Secretary of State of California. On
13 information and belief, Plaintiffs allege that SBMC was a Limited Partnership organized
14 under the laws of the State of California, with a business address at 14761 Caliifa Street,
15 Van Nuys, CA 91411.

16 4. Plaintiffs are informed and believe, and based upon such information and
17 belief allege, that at all times herein mentioned, defendant MORTGAGE ELECTRONIC
18 REGISTRATION SYSTEM (hereinafter referred to as "MERS"), was a corporation for
19 doing business in the State of California and at this time has been suspended as a
20 corporation by the Secretary of State of California.

21 5. Based on information and belief, Plaintiff alleges that MERS was a shell entity
22 which was made up of a group of members, primarily loan originators, such as defendants,
23 used to facilitate the "flipping" of loans, to a secondary mortgage market entity, who then
24 packages the loans as part of a mortgage packaged trust.

25 6. Plaintiff further alleges that MERS members decided it was too costly to pay
26 recording fees in loans that might be flipped numerous times , MERS was chosen as
27 *nominee* for the lender and its assigns in these deeds of trust, for the purpose of
28 immobilizing the mortgage lien while transfers of the promissory notes and servicing

1 rights could continue to occur without the expense of recordation.

2 7. T.D. SERVICE COMPANY.(hereinafter referred to as "TD", is a corporation
3 organized under the laws of the state of California and registered as a Corporation with the
4 Secretary of State of California. On information and belief, was a corporation organized
5 under the laws of the State of California, business address at 1820 East First Street, Suite
6 200, Santa Ana, CA 92705. On information and belief, Plaintiff alleges that TD was
7 formed to take over the role of MERS after MERS was suspended and apparently
8 dissolved.

9 8. Plaintiffs are informed and believe, and based upon such information and
10 belief allege, that at all times herein mentioned, defendant OLD REPUBLIC DEFAULT
11 MANAGEMENT SERVICES, (hereinafter referred to as "OLD DEFAULT") is a
12 business organization, form unknown, not registered with the Secretary of State of
13 California. On information and belief, Plaintiffs allege that OLD DEFAULT had a
14 business address at 500 City Parkway West, Suite 200, Orange, CA 92868..

15 9. On information and belief, Plaintiffs allege that OLD DEFAULT is a Division
16 of defendant OLD REPUBLIC NATIONAL TITLE. INSURANCE COMPANY
17 (hereinafter referred to as "OLD REPUBLIC"), is a Corporation organized under the laws
18 of the State of California and registered with the Secretary of State as such. On
19 information and belief, Plaintiffs allege that OLD REPUBLIC's business address is 400
20 Second Avenue South, Minneapolis, MN 55401..

21 10. Plaintiffs are informed and believe, and based upon such information and
22 belief allege, that at all times herein mentioned, defendant LAKE TWO, LLC, is a limited
23 liability company organized under the laws of the State of California and authorized to do
24 business in the State of California, with an address of P. O. Box 1065, Burbank, CA
25 91507..

26
27 11. The Defendants (each of them named in paragraphs 1 through 6 above, shall
28 collectively be referred to as "DEFENDANTS") named therein "all persons unknown",

1 claiming any legal or equitable right, title estate, lien or interest in the property described
 2 in this Complaint averse to Plaintiff's title thereto and as DOES 1 through 50 (hereinafter
 3 referred to as "UNKNOWN DEFENDANTS") are unknown to Plaintiffs. These unknown
 4 Defendants and each of them claim some right, title, estate, lien or interest in the Property
 5 hereinafter described adverse to Plaintiff's title and their claims and each of them constitute
 6 a cloud on Plaintiff's title to the Property. Plaintiff is informed and therefore believes, and
 7 on that basis alleges that each fictitiously named hereto as a DOES is responsible for the
 8 events happening thereafter alleged. Plaintiff will seek leave of the Court to amend this
 9 Complaint to allege the true names and capacities of said fictitiously named Defendant's
 10 when ascertained.

11 12. Plaintiff is informed and believe and on that basis allege that at all times
 12 mentioned herein the UNKNOWN DEFENDANTS are individuals and/or business
 13 entities whose forms are unknown and were agents, principals, employees, employers and
 14 co-conspirators of each and every other named or unnamed Defendant in this
 15 Complaint. Plaintiff is informed and therefore and on that basis allege that each of said
 16 Defendants is and at all relevant times herein, was acting within the scope and consent of
 17 the remaining named and unnamed Defendants

18 13 Whenever in this Complaint an act or omission of a corporation or business
 19 entity is alleged, the allegation shall be deemed to mean and include an allegation that the
 20 corporation or business entity acted or omitted to act through its authorized officers,
 21 directors, agents, servants, and/o employees, acting within the course and scope of their
 22 duties, that the act or omission was authorized by corporate managerial officers or
 23 directors, and that the act or omission was ratified by the officers and directors of the
 24 corporation or business entity..

25 14. Plaintiff is informed and believes, and based upon such information and
 26 belief alleges, that defendants, and each of them, are responsible in some manner for the
 27 occurrence herein alleged, and that plaintiff's damages as herein alleged were proximately
 28 caused by defendant's conduct.

15. Whenever and wherever reference is made in this FAC to any act by a defendant or defendants, such allegation and reference shall also be deemed to mean the acts and failures to act of each defendant acting individually, jointly and severally.

16. As a result of their mortgage activities, Defendants and each of them are and were subject to and must comply with the Federal Truth In Lending Act (hereinafter referred to as "TILA") [15 U.S.C. section 1601-1666j] and with the Act's corresponding Regulation Z (hereinafter referred to as "RegZ") [24 C.F.R section 3500.17]; the Real Estate Settlement Procedure Act (hereinafter referred to as "RESPA") [12 U.S.C. section 2601 et seq.]; California Business and Professions Code section 17200; Federal Trade Commission section 5; 24 Code of Federal Regulations section 3500.10; Unfair and Deceptive Business Practices and Acts [UDAP Statutes]; and California Civil Code sections 1916.7 - [multiple sections]; section 1537; sections 1918-21; section 337; and section 226.23(3).

II.

JURISDICTION AND VENUE

17. The above-entitled Court is the proper Court for this action as the action was commenced in this court and all parties are subject to the jurisdiction and venue of this Court. The Subject Property is located within the County of Los Angeles.

III.

GENERAL ALLEGATIONS

18. Plaintiff re-allege and incorporate by reference all preceding paragraphs as though fully set forth herein.

19. For years, mortgage brokers and lenders have been selling loan products that they knew or should have known would never be able to be repaid by the borrower and would prevent borrowers from ever actually owning the home. Instead, borrowers were offered interest-only, negative amortization, and/or other sub-prime loan products that

1 amounted to no more than a short term lease until the payments became so unaffordable
2 that the borrowers are now faced with either bankruptcy or foreclosure. The housing
3 bubble of the past decade was created by predatory lending practices, such as charging
4 excessive fees, incorporating payment penalties, negative amortization payments, or other
5 abusive terms in the agreements, providing kickbacks to brokers, flipping loans, using
6 balloon payments to conceal the true burden of the financing, requiring unnecessary
7 insurance and other products, including mandatory arbitrations clauses, steering borrowers
8 to sub-prime loans when they qualify for conventional loans, and using bait and switch
9 tactics. All were rampant within the industry without oversight or good judgment and
10 found to be inconsistent with important national objectives, including the goals of facir
11 access to credit, community development, and stable home ownership by the broadest
12 spectrum of America. Rather than offering a loan product that was biable and long-term
13 for the borrower and lender, brokers and lenders greedily sold whatever they could get
14 away with, arguably the primary catalyst for what is now this country's worst economic
15 crisis since the Great Depression.

16 20. The loan product sold to Plaintiffs in this ase was exactly the kind of loan
17 that has contributed to our national problem. The Defendants were aware of this trend,
18 and possessed the foresight to advise Plaintiffs of this risk. They intentionally concealed
19 the negative implications of the loan they were offering, and as a result , Plaintiffs face the
20 potential of losing her home to the very entity and entities who placed them in this
21 position.

22 21. On July 2002, Plaintiffs purchased the property at 24968 Eshelman Avenue,
23 Lomita, CA 90717 (hereinafter referred to as "the Property"). The lender was People
24 Choice and the purchase loan was in the approximate sum of sum of \$175,000.00.
25 Subsequently, Plaintiff re-financed the property, with Indymac Bank as the lender

26 22. Believing that she could obtain better financing and better loan terms,
27 Plaintiff decided to re-finances the Property on or about July 2007. The lender for this re-
28 financing was defendant SBMC. Plaintiffs entered into the re-financing contract, by

1 signing a promissory note that evidenced the debt to the new lender. Plaintiffs also signed
2 a Deed of Trust, a security instrument that was to guarantee payment of the note and to be
3 alien against the property once it was recorded.

4 23. The financing for the property with SBMC, consisted of a loan for the sum of
5 \$503,200.00. The loan was secured by an Initial Interest Adjustable Rate Note for a term
6 of ten years, where the monthly payments were for interest only. Under the terms of the
7 Note, after five years, the interest would be adjusted in accordance with the Loudon
8 Interbank Offered Rate (LIBOR) and at the end of ten years, Plaintiffs would star to make
9 payments of the principal plus interest at a rate to be determined by LIBORt. Thus,
10 Plaintiffs would be making interest only payments for a term of ten years, which at the end
11 of five years, would be adjusted to a rate that could be considerably higher that the initial
12 rate of 5.75%. The note is appended herein as Exhibit "1".

13 24. In addition o the Note, Plaintiffs executed a Deed of Trust, to secure the
14 Note, for the same amount. The parties to the Deed of Trust were Plaintiffs as Trustors,
15 SBCM as lender; T.D. SERVICE CO. as Trustee and Mortgage Electronic Registration
16 System ("MERS") as beneficiary.. As mentioned above, MERS was a shell composed of
17 loan originators, such as defendants, to facilitate the "flipping" of loans, to a secondary
18 mortgage market entity, who then packages the loans as part of a mortgage packaged trust.

19 25. Plaintiffs further alleges that MERS members decided it was too costly to pay
20 recording fees in loans that might be flipped numerous times , MERS was chosen as
21 *nominee* for the lender and its assigns in these deeds of trust, for the purpose of
22 immobilizing the mortgage lien while transfers of the promissory notes and servicing
23 rights could continue to occur without the expense of recordation. The promissory note
24 and deed of trust were executed on or about July 19, 2007 and recorded on July 27, 2007...
25 A copy of the Deed of Trust is appended herein as Exhibit "2".

26 26. After making payments on the loan for approximately 9 months, plaintiff's
27 earnings diminished considerably and her general financial situation deteriorated to the
28 extent that she was unable to meet their obligations, including payment on the loan.

1 27. On or about January 23, 2009, plaintiff received a document entitled Notice
2 of Trustee's Sale, dated January 20, 2009. The document states that the Trustee's Sale of
3 the property was scheduled for February 13, 2009. This was the first official document
4 received by Plaintiff informing Plaintiffs that they had defaulted in their loan. Plaintiff
5 never received documentation informing them that she had defaulted on their loan. A copy
6 of the Notice of Trustee's Sale is appended herein as Exhibit "3". Plaintiffs contacted
7 SAXON, who was the servicer under the loan, in a good faith attempt to have her loans
8 modified so that she could continue making payments on hr loan and salvage her credit.

9 28. Modification negotiations started and several attempts were made to have it
10 modified. However, not even with the intervention of an attorney, were Plaintiffs able to
11 obtain a true and genuine modification that would enable them to make payments on the
12 loan. It was apparent that SAXON was negotiating in good faith and lacked final authority
13 to offer a modification in terms that Plaintiffs could live with. SAXON was only the
14 servicer of the loan and lacked authority to accord a true modification that would not
15 increase the amount the Plaintiffs and at the same time satisfy the investor.

16 29. The modification proposed by SAXON did not improve the existing loan
17 condition for Plaintiffs. In fact, the proposed modification increased the principal and
18 would extend the period of time required for the payment of the loan. In essence, it was
19 no modification at all. Subsequently, the property was sold pursuant to the power of sale in
20 the Deed of Trust on or above August 24, 2000. The property was purchased by
21 Defendant LAKE TWO..

22 30. Plaintiffs did not receive notice of the sale not copies of the Trustee's Deed
23 of Sale and had no way to know who the buyer of the property was at the non-judicial sale,
24 what price was paid for the property, who was the Trustee that conducted the sale, whether
25 the authorized Trustee conducted the sale and whether the sale was conducted as a public
26 auction pursuant tp the provisions of Civil Code provisions regulating non-judicial sales
27 and public auctions. All of the aforementioned acts were done In violation of section 2934,
28 et al of the Civil Code.

1 31. Subsequently Plaintiff learned that the property had been purchased LAKE
2 TWO at the non-judicial sale on August 24, 2009 for \$406,000.00. Plaintiffs allege that
3 the sale did not conform to the requirements of the Civil Code regulating public
4 auctions..The Trustee that conducted the sale was OLD DEFAULT, who purportedly had
5 been substituted as Trustee by MERS, when MERS, being merely a shell corporation,
6 had no authority whatsoever to do so because MERS had no legal interest in the property
7 nor in its title. All of the aforementioned acts were done In violation of section 2934, et al
8 of the Civil Code.

9 32. The terms of the finance transaction with SBCM are not clear or
10 conspicuous, nor consistent, and are illegal, and include, for example, a "Pick & Pay"
11 Payment Option on an Adjustable Rate Mortgage loan, which violates several statutes and
12 in essence creates an illegal loan. Further, this loan was underwritten without proper due
13 diligence by SBCM as evidenced by their failure to verify borrower's income utilizing
14 signed IRS income Tax Disclosures Form 4506T which would have provided past
15 borrower tax returns. SBCM also used a " GDW Cost of Savings" as the Index for the
16 basis of this loan, because the Lender controls this Index and it is directly based upon the
17 average rate of interest lending institutions such as SCBM who exercise control over the
18 mortgage rate on interest.

19 33. In addition, and unbeknownst to Plaintiffs, SBCM illegally, deceptively
20 and/or otherwise unjustly, qualified Plaintiff for a loan which SBCM knew or should have
21 known that Plaintiffs could not qualify for or afford by, for example, the underwriter has
22 approved this loan based upon credit scores and the borrower's Stated Income only. Had
23 SBCM used a more accurate and appropriate factor, such as Tax Forms and a more
24 determinative level of scrutiny of determining the debt to income ratio, Plaintiff would not
25 have qualified for the loan in the first place. Consequently, SBCM sold Plaintiff a loan
26 product that it knew or should have known would never be able to be fully paid back by
27 Plaintiff. SBCM ignored long-standing economic principles of underwriting and instead,
28 knowingly, liberally, greedily and without any regard for Plaintiff's right, sold Plaintiff a

1 deceptive loan product.

2 34. There was no determination of the ability of the borrower to repay the loan,
3 with complete disregard for the Guidance Letters issued by Federal Agencies and even
4 Federal and State Law.

5 35. Defendants, and each of them, neither explained the workings of the entire
6 mortgage loan transaction, how the rates, finance charges, costs and fees were computed,
7 nor the inherent volatility of the loan product provided by Defendants.

8 36. The purpose of entering into the above-described mortgage loan transactions
9 was for Plaintiffs improve their financing and eventually own the property. That purpose
10 was knowingly and intentionally thwarted and indeed made impossible by Defendant's
11 actions alleged herein.

12 37. Plaintiffs are informed and believe and therefore allege that Defendants did
13 not comply with the requirements to provide Plaintiff with a Mortgage Loan Origination
14 Agreement.

15 38. Plaintiffs are informed and believe and therefore allege that the underwriter
16 approved this loan based only upon a stated income and a medium to high risk credit score
17 and a belief that the property would continue to increase in value and that the Plaintiff
18 should have been declined for this loan.

19 39. Plaintiffs were informed and believe and therefore alleges that based on a
20 Real Income Analysis, with the type of take home income Plaintiff possess and that was
21 clearly disclosed to defendants, that the borrower would not be able to support the home
22 payment over an extended period.

23 40. Plaintiffs are informed and believes and therefore alleges b the very use of
24 London Interbank Offered Rate (LIBOR") as the Index for the basis of this loan, SBCM
25 is in violation of this subsection (CA CIV section 1916.7 10 © INDEX) because the Index
26 is controlled by banking and lending institutions, such as the Lender herein and it is
27 directly based upon the average rate of interest the Lender and other lending institutions.

28 41. Plaintiffs are informed and believe and therefore allege that Defendants

1 failed to provide Plaintiff with written notice of the furnishing of negative credit
2 information about Defendants furnished such negative credit information about Plaintiff.

3 42. Plaintiffs are informed and believe and therefore allege that a California
4 Insurance Disclosure as mandated by law was not provided to the Plaintiffs prior to the
5 consummation of this loan.

6 43. Plaintiffs are informed and believes and therefore alleges that Defendants
7 breached their fiduciary duty to Plaintiff because they knew or should have known that the
8 Plaintiffs will or had a strong likelihood of defaulting on this loan, they have a fiduciary
9 duty to the borrower to not place her in that loan (in harms way).

10 44. Plaintiffs are informed and believe and therefore alleges that it was in the best
11 interest of the Defendants to promote the particular program for which they approved the
12 Plaintiff. It led to a maximization of profits for the Defendants, with no concerns for the
13 Plaintiff's financial position or livelihood.

14 45. Plaintiffs are informed and believe and therefore allege that as a result of the
15 practices of Defendants, and each of them throughout the handling of this loan, that such
16 practices are consistent with the definition of predatory lending, and encompass numerous
17 characteristics that indicate such.

18 46. Plaintiffs are informed and believe and therefore allege that Defendants
19 engaged in unlawful, unfair or fraudulent business act or practice and unfair, deceptive,
20 untrue or misleading advertising in violation, rising to unfair and deceptive business
21 practices, in violation of California Business and Professions Code section 17200 and the
22 Unfair and 'Deceptive Acts and Practices statutes.

23 47. Plaintiffs are informed and believe and therefore allege that SBCM was
24 required to provide for an Open Ended Credit Plan, including a 15-year table showing the
25 effects of the index used on loan payments. However it failed to provide such plan or
26 advis

27
28 IV

Complaint

1 FIRST CAUSE OF ACTION

2 (Breach of Contract)

3 (Against All Defendants)

4 48. Plaintiffs incorporate by reference and re-allege the each of the allegations
5 contained in Paragraph 1 through 47, inclusive, as though fully set forth in this First Cause
6 of Action.

7 49. On or about July 2007, plaintiffs entered into an oral agreement with SAXON
8 and SBCM where SAXON and SBCM would negotiate with plaintiff for a modification
9 of the loans on the property. The purpose of this agreement was to alleviate Plaintiff's
10 financial burden and enable her to make payments she could better afford and avoid a
11 foreclosure on the property. Provident would benefit from the modification by receiving
12 regular payments from Plaintiff under a better financial restructuring their loan. The
13 common purpose for both parties was to avoid a foreclosure of the property that would
14 benefit both parties

15 50. In reliance of Defendant's representations, Plaintiff engaged in negotiations
16 with Defendants. Modification negotiations started on or about November 2008, between
17 plaintiff's designated agent and Defendants. SAXON, the loan servicer did not have the
18 complete to modify the loan. It was apparent that the investor did not want to have the loan
19 modified..

20 51. It is patently clear that Defendants did not want to modify Plaintiff's loan
21 from the very beginning of the negotiations. Based on Defendant's conduct all throughout
22 the negotiations that they never truly intended to modify the loan, a clear breach of the
23 agreement.

24 52. After months of negotiations with Plaintiffs, Defendants had the property
25 sold in a non-judicial sale without giving proper notification to Plaintiffs. Had SAXON
26 and SBCM communicated its true intentions of not modifying the loans, Plaintiffs could
27 had taken other protective measure to save her home from a non.-judicial sale. Her
28 inaction in doing so was the result of her reliance of Defendant's promise of negotiation in

1 good faith for a loan modification.

2 53. Plaintiffs fully performed all the acts and conditions require by the oral
3 contract to be performed on their part, except as to those acts that have been prevented,
4 delayed, or excused by acts or omissions of defendants...

5 54. In breach of the agreement, defendants failed and refused to perform all the
6 acts and conditions required by the agreement to be performed on their part, including
7 without limitation, their promise to engage in good faith negotiations for the modification
8 of the loans, failure to notify plaintiffs of the date and place of the trustee's sale of the
9 property, and inducing plaintiffs to stop making payments on the loan with the implied
10 promise it was going to be renegotiated..

11 55. As a direct and proximate result of the aforementioned acts, plaintiffs have
12 been damaged in an amount according to proof at the time of trial, but at least
13 \$250,000.00, consequential damages, interest and attorney's fees.

14
15 V

16 **SECOND CAUSE OF ACTION**

17 **(Breach of Implied Covenant of Good Faith**

18 **And Fair Dealing Oral Contract)**

19 (Against All Defendants)

20 56. Plaintiffs incorporates by reference and re-alleges each of the allegations
21 contained in Paragraphs 1 through 55, inclusive, as though fully set forth in this Second
22 Cause of Action.

23 57 The agreement contains an implied covenant of good faith and fair dealing
24 obligating Defendants to act fairly and in good faith to guarantee performance of the
25 agreement, to avoid destroying or injuring cross-complainant rights to enjoy the benefits of
26 the agreement, and to do everything that the agreement presupposes will be done to
27 accomplish its purposes.

28 58. Provident breached the implied covenant of good faith and fair dealing by

Complaint

1 failing and refusing in bad faith, to perform all the acts and conditions required by the
 2 agreement to be performed on his part, including without limitation, their promise to
 3 engage in good faith negotiations with Plaintiffs, failure to notify plaintiffs of the date and
 4 place of the trustee's sale of the property, and inducing plaintiffs to stop making payments
 5 on the loan with the implied promise that the loans were going to be renegotiated..

6 59. As a direct and proximate result of the aforementioned acts, plaintiffs have
 7 been damaged in an amount according to proof at the time of trial, but a least \$250,000.00,
 8 consequential damages, interest and attorney's fees..

10 VI.

11 THIRD CAUSE OF ACTION

12 (Unfair Debt Collection Practices)

13 (Against All Defendants)

14 60. Plaintiffs re-allege paragraphs 1 to 59 as fully set forth herein.

15 61. SBCM, SAXON and Does 1 to 3, were, at all times mentioned in this
 16 complaint, debt collectors acting in such a capacity in attempting to collect the debt owed
 17 by Plaintiffs.. Upon information and belief, Plaintiffs allege that Defendants refused to
 18 negotiate with Plaintiffs when they attempted to have SAXON modify or re-structure the
 19 loans. Instead, Defendants informed them that their only option was to make all accrued
 20 payments forthwith and denied their good faith effort for a loan modification. .

21 62. These actions by Defendants are in violation California Rosenthal Fair Debt
 22 Collection Practices Act, including but not limited to Civil Code section 1788(e) and (f),
 23 and the Federal Debt Collections Act, 15 U.S.C, Title 41, Subchap. V, sections 1692, *et*
 24 *seq*, and the Real Estate Settlement Procedures Act (RESPA), 23 U.S.C. sections
 25 250101617.

26 63. As a legal and factual result of defendants wrongful acts pursuant to the their
 27 unfair debt collection practices herein alleged, Plaintiffs have been damaged in a sum as
 28 yet undetermined but will be proved and within the jurisdiction of this Court.

VII.

FOURTH CAUSE OF ACTION**(Predatory Lending Practices)****(Against All Defendants)**

64. Plaintiffs re-allege all paragraphs 1 to 63 as if fully set forth herein.

65. Predatory lending is a term generally used to characterize a range of abusive lending practices, including deception or fraud, charging excessive fees and interest rates, making loans without regard to a borrower's ability to repay, or refinancing loans to incur additional fees without economic gain to the borrower. Predatory lending is most likely to occur in the rapidly growing "supreme mortgage market, which is a market generally providing access to borrowers with impaired credit, limited income, or high debt relative to their income.

66. The loans that Defendants induced Plaintiffs to enter into were predatory in nature. Both loans called for payment of interest only for the first five years. The principal loan would change the interest rate and increase it to a variable rate. These loans are a perfect example of predatory lending practices at its worst and egregious violations of laws and regulations against predatory lending.

67. Plaintiffs allege that all Defendants herein applied and used predatory lending practices in the aforementioned loan by charging excessive fees and making him incur excessive costs. Defendants did not inform complainants of all of the fees and costs that the refinancing would cost and knew of his limited income, thus engaging in predatory lending practices. Further, Defendants knew that the amount refinanced created a high debt relative to Plaintiff's income. This conduct by defendants was fraudulent and deceptive and in violation of California Finance Code sections 4970-4979.8 (Division 1.6)

68. As a legal and factual result of Defendants' wrongful acts pursuant to their predatory lending practices herein alleged, Plaintiffs have been damaged in a sum as yet undetermined but will be proved and within the jurisdiction of this Court.

VIII

FIFTH CAUSE OF ACTION**(Unjust Enrichment)**

(Against All Defendants)

69. Plaintiff incorporates by reference herein the allegations contained in Paragraphs 1 through 68, inclusive as though fully set forth herein.

70. In committing the wrongful act and omissions complained of herein, Provident has been unjustly enriched at the expense of Plaintiff in an amount to be proven at trial, but in excess of the jurisdictional minimum. Plaintiff's damages include damages resulting from the loss of her home through foreclosure and non-judicial sale, consequential damages, loss of income and time.

71. If Defendants are allowed to retain the monies resulting from his wrongful acts and omissions as alleged herein Defendants will be unjustly enriched by profits from its own wrongdoing and will retain monies and assets which it is not entitled to keep. As a direct and proximate result of Defendant's wrongful conduct as alleged herein, Plaintiffs have been damaged in an amount according to proof at the time of trial. By reason of the foregoing, Plaintiffs are entitled to restitution and disgorgement of all monies and assets obtained by Defendant's wrongful conduct.

IX

SIXTH CAUSE OF ACTION**(Violation of Business and Professions Code, Sections 17200, et seq.)**

(Against all Defendants)

72. Plaintiffs re-allege paragraphs 1 to 71 as if fully set forth herein.

73. California Business and Professions Code, section 17200 prohibits acts that promote any unlawful, unfair, or fraudulent business acts or practices.

74. By and through their conduct detailed above, defendants have engaged in activities which constitute unlawful, unfair, and fraudulent business practices prohibited

1 by Business and Professions Code, section 17200, *et seq.*

2 75. Beginning on or about February, 2008 and continuing up to present,
3 defendants have committed acts of unfair business practices by engaging in a pattern of
4 unlawful, unfair and fraudulent business practices that violate the wording and intent of
5 statutes and by defying California state and federal law. Defendants have engaged in
6 business practices that are immoral, unethical, oppressive or unscrupulous, the utility (if
7 any) of which conduct is far outweighed by the harm done to the public and public policy.

8 76. The acts and practices described above were unlawful and unfair because as
9 set out above, they were deceptive, fraudulent and violated the Racketeering and Corrupt
10 Organizations Act (RICO). Defendants through their actions committed set out above also
11 committed other violations of the statutory and common law of California and the United
12 States of America.

13 77. As a legal and factual result of Defendants wrongful acts pursuant to their
14 unfair business practices herein alleged, Plaintiffs have been damaged in a sum as yet
15 undetermined but will be proved and within the jurisdiction of this Court.

16
17 X.

18 **SEVENTH CAUSE OF ACTION**

19 **(Violations of TILA, Truth In Lending Act)**

20 (Against all Defendants)

21 78. Plaintiff re-allege paragraphs 1 to 77 as if fully set forth herein

22 79 Congress enacted the Truth in Lending Act (hereinafter referred to as "TILA")
23 and Federal reserve Board Regulation Z implementing it, to protect consumers' choice
24 through full disclosure and to guard against the divergent and at times fraudulent practices
25 stemming from uninformed use of credit. The stated congressional purposes behind TILA
26 is to assure a meaningful disclosure of credit terms so that the consumer will be able to
27 compare more readily the various credit terms available to him and avoid the uninformed
28 use of credit, and to protect the consumer against inaccurate and unfair credit billing. (15

Complaint

1 U.S.C. section 1601(a); 12 C.F.R. section 226.1(b)).

2 80. The Home Owners And Equity Protection Act (hereinafter referred to as
3 : "HOEPA") amends TILA to ensure that consumers understand the terms of such ; loans
4 and are protected from high pressure sales tactics. The amendment also prohibits High
5 Cost Mortgages from including certain terms such as prepayment penalties and balloon
6 payments that have proven problematic to consumers.

7 81. Plaintiff alleges that beginning or about July 2007, defendants engaged in acts
8 that violate the spirit and the law of TILA, more particularly, inducing complainants to
9 enter into a high cost loan, interest only loans, balloon Notes where at the end of five years
10 Plaintiff would have to pay the whole principal high interest rates, prepayment penalties
11 and other practices, all in violation of TILA and HOEPA. As a result of such unlawful
12 conduct, complainants have suffered irreparable damage.

13 82. As a legal and factual result of Defendants wrongful acts pursuant to the their
14 Truth In Lending violations herein alleged, Plaintiffs have been damaged in a sum as yet
15 undetermined but will be proved and within the jurisdiction of this Court.

17 XI.

18 EIGHT CAUSE OF ACTION

19 Violation of State Regulation Restricted Fees

20 (Against all Defendants)

21 83. Plaintiff re-allege paragraphs 1 to 82 as if fully set forth herein

22 84. Defendants charged a prohibited fee by charging Plaintiffs more than one
23 appraisal fee, in violation of California *Finance Code* section 222317. Defendants also
24 collected an unreasonable escrow or escrow related fee. Under California *Finance Code*
25 sections 17000 and 22318, the fee is considered unreasonable when paid to a person
26 licensed o exempt under the Escrow Law. Defendants, instead, paid the appraiser fee to a
27 person not licensed nor exempt from the Escrow Law, all in violation of the above referred
28 statute.

85. Defendants violated Code of California Regulations, section 1457 by retaining a statutory fee paid to a public officer, in that, it retained the notary fee, in violation of Code of California Regulations section 1458

86. As a legal and factual result of Defendants wrongful acts pursuant to their State Regulation Restricted Fees practices herein alleged, plaintiffs have been damaged in a sum as yet undetermined but will be proved and within the jurisdiction of this Court.

XII.

NINTH CAUSE OF ACTION

Violation of Sections 2923, 2924, 2934 and 2937 of Civil Code

(Against all Defendants)

87. Plaintiff re-alleges paragraphs 1 to 86 as if fully set forth herein.

88. Plaintiff alleges that beginning or about April 2009, Defendants engaged in acts that violate the California Civil Code, section 2923.52 of the Civil Code for not negotiating in good faith toward the modification of the loan, contrary to the spirit of the statute and contrary to the legislative intent in enacting the statute

89. Plaintiff further alleges that beginning or about July 2007, Defendants engaged in acts that violate the California Civil Code, 2934(a)(2)(D) because they failed to provide proper notification to plaintiff of the substitution of Trustee, as required by the above stated statute.

90. Plaintiff further alleges that beginning or about July 2007, Defendants engaged in acts that violate the California Civil Code 2924.8 for not posting and mailing to Plaintiff the Notice of Sale in Tagalog, the native language of Plaintiff, when Defendants knew that Plaintiff was born and raised in the Phillippines and her native language is Tagalog.

91. Defendants also engaged in acts that violate the California Civil Code sections 2937(a)(b) in not notifying plaintiff of the transfer of the servicer for the loan, as required by the above stated statute. As a result of such unlawful conduct, Plaintiff has

1 suffered irreparable damage.

2 92. As a legal and factual result of defendants wrongful acts pursuant to their
3 Civil Code statutes herein alleged, plaintiff have been damaged in a sum as yet
4 undetermined but will be proved and within the jurisdiction of this Court.

5
6 XIII

7 TENTH CAUSE OF ACTION

8 Fraud

9 (Against all Defendants)

10 93. Plaintiff re-alleges paragraphs 1 to 92 as if fully set forth herein.

11 94. The defendants, and each of them, made intentional misrepresentations,
12 through their preparation and submission of incomplete, deceptive and defective loan
13 documents and withholding from them information and documentation, to induce
14 complainants accept and execute them, including but not limited to escrow documents
15 which plaintiffs would not have done but for the actions of said defendants.

16 95.. These representations and the loan documentation as described above were
17 deceptive, misleading and false when made. Plaintiff was justified in relying upon the
18 representations since defendants held themselves out to be reputable and licensed
19 professionals and complainants had no prior notification to the contrary.

20 96. Plaintiff was unaware of the falsity of the representations in the loan and
21 financing documentation and acted in reliance upon the truth of the representations
22 submitted by defendants.

23 97.. As a result of the reliance upon the truth of the representations made by and
24 loans documentation prepared, assembled and submitted by defendants, as well as the
25 withholding of relevant documents from them, Plaintiff has sustained damages, which are
26 based on fraudulent misrepresentation, all to an amount to be proved at the time of trial.

27 98 Defendants and each of them, did the things herein alleged, intentionally,
28 oppressively, and maliciously, and plaintiff is therefore entitled to punitive damages to be

1 determined at the time of trial.

2
3 XIV

4 ELEVENTH CAUSE OF ACTION

5 Conspiracy to Defraud

6 (Against all Defendants)

7 99. Plaintiffs re-allege paragraphs 1 to 98 as if fully set forth herein.

8 100. Defendants and each of them, knowingly, willfully and maliciously entered
9 into a conspiracy and agreement to have escrow officers, appraisers, Notaries Public,
10 property sellers and Does 1 to 5, deceptively, misleadingly and falsely represent to and
11 submit deceptive and incomplete loan documentation to complainants, to induce them to
12 execute the loan documents.

13 101. In reliance of these representations, complainants executed the documents
14 and became indebted to Defendants. Plaintiffs were unaware of the defective, incomplete
15 and misleading documentation and the improper actions of defendants.

16 102. As a legal and factual result of Defendants wrongful acts pursuant to the
17 conspiracy herein alleged, Plaintiffs have been damaged in a sum as yet undetermined but
18 will be proved a time of trial and within the jurisdiction of this Court.

19
20 XV

21 TWELFTH CAUSE OF ACTION

22 Intentional Misrepresentations

23 (Against all Defendants)

24 103. Plaintiffs re-allege paragraphs 1 to 96 as if fully set forth herein.

25 104. Defendants and each of them, at the time they submitted loan and financial
26 documentation, made representations that the information set forth in the documentation
27 was true and correct as set out in detail above. Further, defendants intentionally
28 misrepresented to Plaintiffs that they would negotiate in good faith to enable Plaintiff to

1 modify her loan to make it more affordable to her.

2 105. These representation were false since defendants knew or should have
3 known that the sale of the property to plaintiff was at an inflated price, the appraisal
4 overstated the value of the property, that they had the duty and obligation to notify
5 plaintiffs of the assignments and transfers of trustees and services, and the noticing of the
6 non-judicial sale of the property , including the date and place of the sale.

7 106. The defendants knew that the representations were false when made, or
8 made representations recklessly without consideration of whether the representations were
9 true or false.

10 107 The Defendants made the representations with intent to defraud plaintiffs
11 for the purpose of inducing Plaintiffs to rely upon the same and for plaintiffs to execute
12 loan documents and not to proceed with the intended short sale of the property. Further,
13 Defendants and each of them, in pursuing non-judicial foreclosure, represented they had
14 the right to payment under the Promissory Note, payment of which was secured by the
15 security instrument that is identified as Exhibit "1" of the complain. Defendants knew that
16 they did no have possession of the Promissory Note nor were non-holders of the note.

17 108 . Plaintiff was unaware of the falsity of defendants representations since
18 defendants held themselves out to be reputable and licensed professionals and its own
19 employees, who had a fiduciary duty to act in its best interests, concealed the scheme from
20 plaintiffs.

21 109 The intentional misrepresentations were no discovered by Plaintiffs until the
22 non-judicial sale was effected as set out further in detail above.

23 110. The intentional misrepresentations of facts which wee material to the
24 entering into the loan, to the aborted short sale of the property and the loss of the property,
25 were made intentionally, oppressively, and maliciously and Plaintiff is entitled to punitive
26 or exemplary damages in a sum to be determined at time of trial, which purpose is to
27 punish the wrongdoing of the Defendants.
28

XVI

THIRTEENTH CAUSE OF ACTIONTrustee's Sale in Void and Null

(Against all Defendants)

111. Plaintiffs re-allege paragraphs 1 to 110 as if fully set forth herein.

112. Based on information and belief, Plaintiffs allege that the Notice of Default and Notice of Sale are void and of no effect because defendants had no power of sale. Defendant OLD DEFAULT, had no power or authority as the purported Trustee in the Notice of Sale, to conduct the non-judicial sale since OLD DEFAULT is not the original Trustee in the Deed of Trust and the Substitution of Trustee designating OLD DEFAULT as the new Trustee is a nullity. The Substitution of Trustee is also faulty as it recites that MERS is the nominee for SAXON, when in reality MERS appears in the Deed of Trust as nominee for SBCM, the lender under the Deed of Trust. Saxon is merely the servicer and has no standing to act as beneficiary. Further, the Trustee's Deed recites that OLD DEFAULT is the duly appointed Trustee in the Deed of Trust, when in reality the Trustee in the Deed of Trust was T.D. SERVICE, thus making the Trustee's Deed null and void. The Substitution of Trustee is appended herein as Exhibit "4" and the Trustee's Deed is appended herein as Exhibit "5".

113. Plaintiff further alleges that the assignment of the Deed of Trust is a nullity as MERS, who was the purported *nominee* and *beneficiary* in the Deed of Trust, in reality had no legal title nor an interest in the Deed of Trust. MERS was not a real beneficiary and did not possess any rights a lender and did not have legal title to the property. MERS had no standing to assign the Promissory Note nor the Deed of Trust. Thus, any assignment of the Deed of Trust by MERS is a nullity, which makes the Trustee's Deed of Sale also a nullity..

114. MERS, being merely a shell corporation, with no true directors, officers or shareholders, had no authority substitute OLD DEFAULT as the Trustee and OLD DEFAULT has not legal authority to conduct the foreclosure sale and to issue a valid

1 Trustee's Deed to LAKE TWO.. MERS had no legal interest in the property nor in its title.

2 115. Plaintiff alleges on information and belief that the designation of MERS as
3 beneficiary was a ploy by SBCM itself to circumvent state laws and other legal
4 requirements dealing with mortgage loans. By designating certain members employees of
5 SBCM to be MERS corporate officers, MERS created a situation whereby the foreclosing
6 agency and MERS "designated officers" have a conflict of interest.

7 116. On information and belief, Plaintiff alleges that since MERS nor the
8 servicer have a beneficial interest in the promissory note, nor they receive the income from
9 the payments in and since it is actually an employee of the servicer signing the Substitution
10 or Trustee or assignment of the Note, the Substitution or assignment in the name of MERS
11 is illegal.

12 117. Plaintiff alleges that as a result of the above stated facts, OLD DEFAULT
13 had no standing to conduct the sale and defendant LAKE TWO, who purchased the
14 property for \$406,000.00, is not a bona fide purchaser for value. Plaintiffs further allege
15 that all of the irregularities in the conduct of the sale as described above, are not de hors to
16 the foreclosure sale and invalidate the sale.

17 118. Plaintiff alleges, as set forth above, that the Substitution of Trustee and the
18 Trustee's Deed are fraught with errors, misrepresentations and falsehoods that are not
19 de hors to the foreclosure sale, making the whole foreclosure sale proceedings null and void.

20 119. Based on information and belief, plaintiff alleges that in reality, the statutory
21 notice requirements and procedures by law for the conduct of the sale were not satisfied,
22 thus arising a refutable presumption that the sale was conducted regularly and properly;
23 pursuant to *Civ. Code*, § 2924. All of the aforementioned acts were done in violation of

24 120. As a direct and proximate result of the aforementioned acts, plaintiffs has
25 been damaged in an amount according to proof at the time of trial, but at least \$250,000.00,
26 consequential damages, interest and attorney's fees..

27 XVII

28 **FOURTEENTH CAUSE OF ACTION**

Complaint

Constructive Fraud

(Against all Defendants)

121. Plaintiff re-alleges paragraphs 1 to 129 as if fully set forth herein.

122.. Civil Code article 1571 defines constructive fraud as follows:: [P] 1. In any breach of duty which, without an actually fraudulent intent, gains an advantage to the person in fault, or any one claiming under him, by misleading another to his prejudice, or to the prejudice of any one claiming under him; or, [P] 2. In any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud."

123. Defendants and each of them represented to Plaintiff and made her believe that the loan was going to be modified. Based on such representations, plaintiff stop making payments on the property and forego other options that could have been available to her, to save her property.

124. Defendants and each of them then advised plaintiff, after four months of loan modification negotiations, that the modification they would agree to was for Plaintiff to pay all arrears and continue making payments under the same terms and conditions of the existing loan.

125. Since this species of fraud does not depend on the existence of an actual fraudulent intent, it can be shown by breach of a fiduciary duty. Defendants herein had a legal or equitable duty and obligation to treat plaintiffs fairly and be truthful to them. Defendants breached their fiduciary duty by their actions as set forth above, which precipitated the foreclosure on the property.

126. As a direct and proximate result of the aforementioned acts, Plaintiff has been damaged in an amount according to proof at the time of trial, but a least \$250,000.00, consequential damages, interest and attorney's fees..

XVII

FOURTEENTH CAUSE OF ACTION

Complaint

Constructive Fraud

(Against all Defendants)

127. Plaintiffs re-allege paragraphs 1 to 126 as if fully set forth herein.

128. Civil Code article 1571 defines constructive fraud as follows:: [P] 1. In any breach of duty which, without an actually fraudulent intent, gains an advantage to the person in fault, or any one claiming under him, by misleading another to his prejudice, or to the prejudice of any one claiming under him; or, [P] 2. In any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud."

129. Defendants and each of them represented to Plaintiff and made her believe that the loan was going to be modified. Based on such representations, plaintiff stop making payments on the property and forego other options that could have been available to her, to save her property.

130 Defendants and each of them then advised plaintiff, after four months of loan modification negotiations, that the modification they would agree to was for Plaintiff to pay all arrears and continue making payments under the same terms and conditions of the existing loan.

131. Since this species of fraud does not depend on the existence of an actual fraudulent intent, it can be shown by breach of a fiduciary duty. Defendants herein had a legal or equitable duty and obligation to treat plaintiffs fairly and be truthful to them. Defendants breached their fiduciary duty by their actions as set forth above, which precipitated the foreclosure on the property.

132. As a direct and proximate result of the aforementioned acts, Plaintiff has been damaged in an amount according to proof at the time of trial, but a least \$250,000.00, consequential damages, interest and attorney's fees..

XX

SIXTEENTH CAUSE OF ACTION

Rescission

Complaint

(Against all Defendants)

133. Plaintiffs re-allege paragraphs 1 to 136 as if fully set forth herein.

134. Plaintiff alleges that the transaction she entered into with defendants is regulate by the Truth In Lending Act (TILA). TILA requires that specific disclosures be provided to borrowers of qualifying consumer credit transactions that are secured by the borrowers' residence. Section 1615 of Title 15 of the United States Code, mandates that lenders clearly and conspicuously disclose to borrowers that borrowers have a right to rescind the transaction until midnight of the third business day following consummation of the transaction.(15 U.S.C. section 1635(a)3; 12C.F.R. section 225.23(b) HOEPA further directs lenders to disclose: that borrowers are not required to complete the loan agreement merely because they have received disclosures or signed the loan application; that they could lose their home if they do not meet their loan obligations; and the percentage rate, the amount of monthly payments, and in the case of adjustable rate loans, that the interest rate and payment could increase. (15U.S.C. section 1639(a)(1)&1629(a)(1) Such disclosures must be made "not less than 3 business days prior to consummation of the transaction."

135. Plaintiff alleges that the notice of her right cancellation under TILA was deficient as she did not given a copy of the notice of cancellation after signing the notice and loan documents. Plaintiff did not know of her right to cancel nor the deadlines impose by the statute to exercise her right to rescind the contract.

136. The remedies under TILA includes civil liability and damages as well as costs and attorney fees. Also, defendants are subject to liability for all payments made by Plaintiff, the sum of all finance charges and fees paid by Plaintiffs.

XX

SEVENTEENTH CAUSE OF ACTION

Declaratory Relief

(Against all Defendants)

Complaint

1 137. Plaintiffs re-allege and incorporates by reference all preceding paragraphs
2 as though fully set forth herein.

3 138. An actual controversy has arisen and now exists between Plaintiff and
4 Defendants. regarding their respective rights and duties, in that Plaintiff contends that
5 Defendants did not have the right to foreclose on the Subject Property because
6 Defendant's security interest in the Subject Property has been rendered void by operation
7 of law, pursuant to 24 Code of Federal Regulations 3500.10, the California Civil Code, the
8 Equal Opportunity Credit Act, the Federal Trade Commission Act, California Business
9 and Professions Code, UDAP, TILA, and RESPA. Thus the purported power of sale by
10 Defendants no longer applies. Plaintiff further contends that Defendants do not have the
11 power to foreclose on the Subject Property because Defendants did not properly comply
12 with proper delivery procedures under RESPA. Plaintiff further contends that the
13 Defendants perpetrated a fraudulent loan transaction.

14 139. Plaintiffs request that this Court find the purported power of sale contained
15 in the Loan of no force and effect at this time, because Defendants actions in the
16 processing, handling, and attempted foreclosure of this loan has contained numerous
17 violations of State and Federal laws designed to protect borrowers, which has directly
18 caused Plaintiff to be at an equitable disadvantage to Defendants. Plaintiff further requests
19 that title to the Subject Property be reinstated to Plaintiff's name, with said Deed of Trust
20 remaining in beneficiaries' name, during the pendency of this litigation.

21 140. As a result of the Defendant's actions, Plaintiff has suffered damages
22 according to proof, and seeks declaratory relief that Defendant's purported power of sale is
23 void and has no force or effect against the Subject Property

24 141. Further, Defendant's actions have been willful, knowing and malicious.

25
26 THEREFORE, PLAINTIFFS PRAY AS FOLLOWS:

27 **On All Causes of Action**

- 28 1. For attorney fees to the extent allowed by law;

2. For costs of this litigation to the extent allowed by law;
3. For pre-judgment interest as allowed by law;
4. For such other relief as the Court may find just and appropriate.

First Cause of Action

5. For compensatory damages,
6. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.

Second Cause of Action

7. For compensatory damages,
8. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.;

Third Cause of Action

9. For compensatory damages,
10. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.;

Fourth Cause of Action

11. For compensatory damages,
12. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.;

Fifth Cause of Action

13. For compensatory damages,
14. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.;

Sixth Cause of Action

15. For restitution and declaratory relief declaring that defendants have violated the provisions of California Business and Professions Code section 17200, and any other applicable statutory provisions,.

Seventh Cause of Action

Complaint

1 16. For compensatory damages,

2 17. For punitive and exemplary damages in an amount sufficient to punish and
3 deter future misconduct.;

4 **Eighth Cause of Action**

5 18. For compensatory damages,

6 19. For punitive and exemplary damages in an amount sufficient to punish and
7 deter future misconduct.

8 **Ninth Cause of Action**

9 20. For compensatory damages to be proven at time of trial.

10 21. For punitive and exemplary damages. in an amount sufficient to punish and
11 deter future misconduct.

12 **Tenth Cause of Action**

13 22. For compensatory damages,

14 23. For punitive and exemplary damages in an amount sufficient to punish and
15 deter future misconduct.

16 **Eleventh Cause of Action**

17 24. For compensatory damages,

18 25. For punitive and exemplary damages in an amount sufficient to punish and
19 deter future misconduct.

20 **Twelfth Cause of Action**

21 26. For compensatory damages to be proven at the time of trial.;

22 For punitive and exemplary damages in an amount sufficient to punish and
23 deter future misconduct.

24 **Thirteenth Cause of Action**

25 27. Nullification of the Trustee's Deed of Sale,

26 28. For compensatory damages,

27 29. For punitive and exemplary damages in an amount sufficient to punish and
28 deter future misconduct.

Fourteenth Cause of Action

30. For a constructive trust;
31. For compensatory damages,
32. For punitive and exemplary damages in an amount sufficient to punish and deter future misconduct.

Fifteenth Cause of Action

33. For rescission of the re-financing loan.
34. For costs, attorney fees, finance charges and fees paid by Plaintiff,
35. For return of payments made by Plaintiff on the loan.

Sixteenth Cause of Action

36. For Declaratory Relief as prayed for.
37. For Attorney Fees

DATED: September 30, 2009

Respectfully submitted,

LAS OFFICE OF EDWARD LOPEZ, APC

By: 

EDWARD LOPEZ

Attorney for Plaintiffs

JOSEPH BAZO, VENERA BAZO

EXHIBIT "1"

REDACTED

INITIAL INTEREST ADJUSTABLE RATE NOTE(1-Year LIBOR Index—Rate Caps)
(Assumable after Initial Period) (45 Day Lookback)

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. THIS NOTE LIMITS THE AMOUNT MY INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.

July 19, 2007
[Date]TORRANCE
[City]
25968 ESHELMAN AVENUE
LOMITA, CA 90717California
[State]

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$503,200.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is SBMC MORTGAGE, A GENERAL PARTNERSHIP

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 6.7500%. The interest rate I will pay will change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS**(A) Time and Place of Payments**

I will make a payment every month on the first day of the month beginning on September 01, 2007. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and if the payment consists of both principal and interest, it will be applied to interest before Principal. If, on August 01, 2037, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 14761 CALIFA STREET, VAN NUYS, CA 91411

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Before the first fully amortizing principal and interest payment due date stated in subsection (C) below (the "First P&I Payment Due Date"), my monthly payments will be only for the interest due on the unpaid principal of this Note.

Each of my initial monthly payments will be in the amount of U.S. \$2,830.50. This amount may change in accordance with subsection (C) below.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

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The First P&I Payment Due Date is the first day of September 1, 2017

Prior to the First P&I Payment Due Date, my monthly payment may change to reflect changes in the interest rate I must pay in accordance with Section 4 of this Note or to reflect changes in the unpaid principal of my loan in accordance with Section 5 of this Note. Beginning with the First P&I Payment Due Date my monthly payment will change to an amount sufficient to repay the principal and interest at the rate described in Section 4 of this Note.

Before the effective date of any change in my monthly payment, the Note Holder will deliver or mail to me a notice of the change in accordance with Section 8 of this Note. The notice will include the title and telephone number of a person who will answer any question I may have regarding the notice.

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Interest Change Dates

The interest rate I will pay may change on the first day of August 2012, and may change on that day every 12th month thereafter. Each date on which my interest rate could change is called an "Interest Change Date."

(B) The Index

Beginning with the first Interest Change Date, my interest rate will be based on an Index. The "Index" is the one-year London Interbank Offered Rate ("LIBOR") which is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market, as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before each Interest Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding Two and One Quarter percentage point(s) (2.2500%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Interest Change Date.

The Note Holder will then determine the amount of my monthly payment. For payment adjustments occurring before the First P&I Payment Due Date, my monthly payment will be the amount sufficient to repay all accrued interest each month on the unpaid principal balance at the new interest rate. For payment adjustments occurring on or after the First P&I Payment Due Date, my monthly payment will be an amount sufficient to repay the unpaid principal that I am expected to owe at the Interest Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Interest Change Date will not be greater than 11.7500% or less than 2.2500%. Thereafter, my interest rate will never be increased or decreased on any single Interest Change Date by more than Two percentage point(s) (2.0000%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 11.7500%.

(E) Effective Date of Changes

My new interest rate will become effective on each Interest Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Interest Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

ITEM 1002L2 (0600)

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Prepayment to reduce amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payment unless the Note Holder agrees in writing to the changes.

If I make a partial Prepayment during the period ending with the due date of my last interest only monthly payment, my partial Prepayment will reduce the amount of my monthly payment. If I make a partial Prepayment after the last interest only monthly payment, my partial Prepayment may reduce the amount of my monthly payments beginning with the monthly payment due after the Interest Change Date following the partial Prepayment. After the first Interest Change Date, any reduction due to my partial Prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.0000% of my overdue payment of interest during the period when my payment is interest only, and of principal and interest after that. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 3/84 (rev. 7/05)

ITEM 108213 (0809)

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(Page 3 of 8)

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any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

(A) UNTIL MY INITIAL INTEREST RATE CHANGES UNDER THE TERMS STATED IN SECTION 4 ABOVE, UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT IS DESCRIBED AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(B) AFTER MY INITIAL INTEREST RATE CHANGES UNDER THE TERMS STATED IN SECTION 4 ABOVE, UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT DESCRIBED IN SECTION 11(A) ABOVE SHALL THEN CEASE TO BE IN EFFECT, AND UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT SHALL INSTEAD BE DESCRIBED AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/94 (rev. 7/95)

ITEM 1052L4 (08/09)
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(Page 4 of 5)


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... as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Borrower has executed and acknowledges receipt of pages 1 through 5 of this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.


JOE BAZO

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

ITEM 1062LS (0809)
MFCD5568

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Exhibit 2

AND WHEN RECORDED MAIL TO

SBMC MORTGAGE
14781 CALIFA STREET
VAN NUYS, CA 91411-3107

07/27/07
20071777124

REDACTED

7553 03-057

DEED OF TRUST

MIN:

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated July 19, 2007, together with all Riders to this document.

(B) "Borrower" is JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE AS JOINT TENANTS

Borrower is the trustor under this Security Instrument.

(C) "Lender" is SBMC MORTGAGE
Lender is a A GENERAL PARTNERSHIP
the laws of CALIFORNIA
14781 CALIFA STREET, VAN NUYS, California 91411

organized and existing under
Lender's address is

(D) "Trustee" is T.D. SERVICE CO., A CALIFORNIA CORPORATION

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(F) "Note" means the promissory note signed by Borrower and dated July 19, 2007. The Note states that Borrower owes Lender Five Hundred Three Thousand Two Hundred and no/100 Dollars (U.S. \$ 503,200.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than August 01, 2037.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

CALIFORNIA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
FORM REG-1 (2011)—MERS
MFCAS114

(Page 1 of 12 pages)

Form J005 1/01
GREATLAND B
To Order Call 1-800-633-6262 Fax 978-397-1151

REDACTED

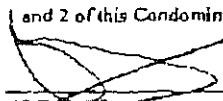
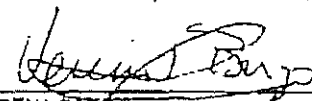
C. **Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. **Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in pages 1 and 2 of this Condominium Rider.

 _____ (Seal) -Borrower	 _____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

MULTISTATE CONDOMINIUM RIDER—Single Family—Florida Multi-Property Use UNIFORM INSTRUMENT

Form 3140 1/01

ITEM 102722 (0011)

(Page 2 of 2 pages)

To Order Call 1-800-833-4333 or Fax 813-791-1371

MPCD2001

07 1777124

EXHIBIT “3”

REDACTED

AND WHEN RECORDED MAIL TO

Old Republic
Default Management Services
P.O. Box 250
Orange, CA 92856-6250

Trustee Sale No. 08-11404 Title Order No.

APN 7553-013-057

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 07/19/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 02/13/2009 at 11:30AM, Old Republic Default Management Services, a Division of Old Republic National Title Insurance Company as duly appointed Trustee pursuant to the Deed of Trust, Recorded on 07/27/07 AS INSTRUMENT NO 20071777124 of official records in the Office of the County Recorder of Los Angeles County, California, executed by: JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE, AS JOINT TENANTS, as Trustor, MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE, as Beneficiary, **WILL SELL AT PUBLIC AUCTION TO THE HIGHEST BIDDER FOR CASH** (payable in full at time of sale by cash, a cashier's check drawn by a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state). At: **At the front entrance to the Pomona Superior Courts Building, 350 West Mission Blvd., Pomona, CA**, all right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County and state, and as more fully described in the above referenced Deed of Trust.

The street address and other common designation, if any, of the real property described above is purported to be: 25968 ESHELMAN AVENUE, LOMITA, CA 90717.

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. Said sale will be made in an "AS IS" condition, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by said Deed of Trust, with interest thereon, as provided in said note(s), advances, if any, under the terms of the Deed of Trust, estimated fees, charges and expenses of the Trustee and of the trusts created by said Deed of Trust, to-wit: \$542,904.83 (Estimated). Accrued interest and additional advances, if any, will increase this figure prior to sale. It is possible that at the time of sale the opening bid may be less than the total indebtedness due.

The Declaration pursuant to California Civil Code, Section 2923.5(b) is attached hereto as Exhibit A.

DATE: 1/20/09

Old Republic Default Management Services, A Division of Old Republic National Title Insurance Company, as Trustee
500 City Parkway West, Suite 200, Orange, CA 92868-2913
(866) 263-5802

For Sale Information Contact: Priority Posting and Publishing (714) 573-1965


Lynn Lambert, Assistant Vice President

REDACTED

EXHIBIT A TO NOTICE OF TRUSTEE SALE

Trustee Sale No. 08-11404 Loan No. APN7553-013-057

DECLARATION OF LENDER, TRUSTEE OR AUTHORIZED
AGENT UNDER CALIFORNIA CIVIL CODE SECTION 2923.5(c)

The undersigned is the lender, beneficiary, or its authorized agent under the Deed of Trust or Mortgage that is the subject of the Notice of Sale to which this Declaration is attached and made a part.

In compliance with the requirements of California Civil Code section 2923.5(c), the undersigned does hereby declare as follows: *(strike out or delete the option that is not applicable)*

1. The borrower under said Deed of Trust or Mortgage has been contacted in order to assess the borrower's financial situation and to explore options for the borrower to avoid foreclosure. Or, *3/17/08 Spk with cust. W3 placed on RPP*
2. No contact has been made with the borrower. The following list enumerates the efforts that were made in order to make such contact with the borrower:

(continue on attachment, if more space is needed).

Date: 11/04/08

By: *Lonna Cross*

(name of person signing and their corporate title)

Lonna Cross

Senior Manager

EXHIBIT "4"

REDACTED

AFFIDAVIT

TS NO : 08-11404

Loan NO:

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Glenn Millan declare that I am over the age of eighteen years; an officer, agent or employee of Old Republic Default Management Services, whose business address is:

500 City Parkway West, Suite 200
Orange, Ca 92868

On 01-23-2009 Certified and First Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Mail, a copy of the attached Substitution of Trustee to the trustee of record under the Deed of Trust described in said Substitution, and;

A copy of the attached Substitution has been mailed prior to the recording thereof, in the manner provided in Section 2924 (b) of the Civil Code of the State of California to all persons to whom a copy of the Notice of Default would be required to be mailed by the provisions of said section.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 01-23-2009



BY: Glenn Millan, Trustee Assistant

Exhibit "5"

REDACTED

WHEN RECORDED MAIL TO

Lake Two, LLC
PO BOX 1085
Burbank, Ca, 91507

MAIL TAX STATEMENTS TO

Lake Two, LLC
PO BOX 1085
Burbank, Ca, 91507



Trustee Sale No. 08-11404 Loan No.

Title Order No.

Space above this line for recorder's use only

TRUSTEE'S DEED UPON SALE

TRANSFER TAX
NOT A PUBLIC RECORD

APN 7553-013-057 T.R.A. No. 016-200-07-000

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was
- 3) The amount paid by the grantee at the trustee sale was
- 4) The documentary transfer tax is \$
- 5) Said property is in Lomita

and Old Republic Default Management Services, a Division of Old Republic National Title Insurance Company (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Lake Two, LLC (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of Los Angeles, State of California, described as follows: A CONDOMINIUM COMPRISED OF:

PARCEL 1:

AN UNDIVIDED 1/8TH INTEREST IN AND TO LOT 2 OF TRACT NO. 48981, IN THE CITY OF LOMITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1231, PAGES 87 AND 88, OF MAPS.

EXCEPT THEREFROM CONDOMINIUM UNITS 1 TO 8, INCLUSIVE, AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED NOVEMBER 5, 1988, AS INSTRUMENT NO. 88-2040348, OF OFFICIAL RECORDS.

PARCEL 2:

UNIT 8, AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 1 ABOVE.

PARCEL 3:

AN EXCLUSIVE USE, COMMON AREA FOR PARKING PURPOSES ONLY, TO BE APPURTENANT TO PARCELS 1 AND 2, ABOVE, IN, OVER, ACROSS AND THROUGH THAT PORTION OF THE COMMON AREA CONSISTING OF 8P AS SHOWN AND DEFINED ON SAID CONDOMINIUM PLAN.

COMMONLY KNOWN AS: 25968 ESHELMAN AVENUE, LOMITA, CA 90717

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 07/19/2007 and executed by JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE, AS JOINT TENANTS, as Trustor, and Recorded on 07/27/07 AS INSTRUMENT NO 20071777124 of official records of Los Angeles County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

REDACTED

Trustee Sale No. 08-11404
Loan No.
Title Order No.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 08/20/2009. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$408,000.00 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 8/24/09

Old Republic Default Management Services, A Division of Old Republic National Title Insurance Company

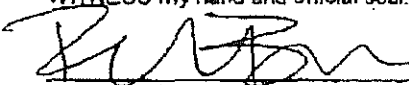

Esther Valenzuela, VP Foreclosure Trustee Services

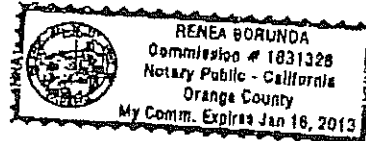
STATE OF California
COUNTY OF Orange

On 8/24/09 before me, Renaa Borunda, a Notary Public in and for said county, personally appeared Esther Valenzuela, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public in and for said County and State



ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): EDWARD LOPEZ, State Bar 044558 LAW OFFICE OF EDWARD LOPEZ, APC 14640 Victory Boulevard, Suite 215 Van Nuys, California 91411 TELEPHONE NO.: (818) 901-6598 FAX NO.: (818) 901-6098 ATTORNEY FOR (Name): Plaintiffs Joseph Bazo, Verena Bazo		CM-010 FOR COURT USE ONLY	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 825 Maple Street MAILING ADDRESS: 825 Maple Street CITY AND ZIP CODE: Torrance, CA 90503 BRANCH NAME: Southwest District, Torrance Courthouse			
CASE NAME:			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) </td> <td style="width: 50%; padding: 5px;"> <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less) </td> </tr> </table>			CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)	<input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402) </td> <td style="width: 50%; padding: 5px;"> CASE NUMBER: JUDGE: DEPT: </td> </tr> </table>		Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER: JUDGE: DEPT:
Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER: JUDGE: DEPT:		

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other P/DPD/W (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other P/DPD/W (23) Non-P/DPD/W (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input checked="" type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-P/DPD/W tort (35) Employment <input type="checkbox"/> Wrongful termination (38) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (08) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input checked="" type="checkbox"/> Other real property (25) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input checked="" type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify):
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date:
October 2, 2009

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

Form Adopted for Mandatory Use
Judicial Council of California
CM-010 (Rev. July 1, 2007)

CIVIL CASE COVER SHEET

Cal. Rules of Court, rules 2.30, 3.220, 3.400-3.403, 3.740;
Cal. Standards of Judicial Administration, std. 3.10
www.courtinfo.ca.gov

American LegalNet, Inc.
www.FormsWorkFlow.com

CM-010

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort	Contract	Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403)
Auto (22)—Personal Injury/Property Damage/Wrongful Death	Breach of Contract/Warranty (06)	Antitrust/Trade Regulation (03)
Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)	Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	Construction Defect (10)
	Contract/Warranty Breach—Seller Plaintiff (not fraud or negligence)	Claims Involving Mass Tort (40)
	Negligent Breach of Contract/Warranty	Securities Litigation (28)
	Other Breach of Contract/Warranty	Environmental/Toxic Tort (30)
Other P/DP/DWD (Personal Injury/Property Damage/Wrongful Death) Tort	Collections (e.g., money owed, open book accounts) (09)	Insurance Coverage Claims (arising from provisionally complex case type listed above) (41)
Asbestos (04)	Collection Case—Seller Plaintiff	Enforcement of Judgment
Asbestos Property Damage	Other Promissory Note/Collections Case	Enforcement of Judgment (20)
Asbestos Personal Injury/Wrongful Death	Insurance Coverage (not provisionally complex) (18)	Abstract of Judgment (Out of County)
Product Liability (not asbestos or toxic/environmental) (24)	Auto Subrogation	Confession of Judgment (non-domestic relations)
Medical Malpractice (45)	Other Coverage	Sister State Judgment
Medical Malpractice—Physicians & Surgeons	Other Contract (37)	Administrative Agency Award (not unpaid taxes)
Other Professional Health Care Malpractice	Contractual Fraud	Petition/Certification of Entry of Judgment on Unpaid Taxes
Other P/DP/DWD (23)	Other Contract Dispute	Other Enforcement of Judgment Case
Premises Liability (e.g., slip and fall)	Real Property	Miscellaneous Civil Complaint
Intentional Bodily Injury/DP/DWD (e.g., assault, vandalism)	Eminent Domain/Inverse Condemnation (14)	RICO (27)
Intentional Infliction of Emotional Distress	Wrongful Eviction (33)	Other Complaint (not specified above) (42)
Negligent Infliction of Emotional Distress	Other Real Property (e.g., quiet title) (26)	Declaratory Relief Only
Other P/DP/DWD	Writ of Possession of Real Property	Injunctive Relief Only (non-harassment)
Non-P/DP/DWD (Other) Tort	Mortgage Foreclosure	Mechanics Lien
Business Tort/Unfair Business Practice (07)	Quiet Title	Other Commercial Complaint Case (non-tort/non-complex)
Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)	Other Real Property (not eminent domain, landlord/tenant, or foreclosure)	Other Civil Complaint (non-tort/non-complex)
Defamation (e.g., slander, libel) (13)	Unlawful Detainer	Miscellaneous Civil Petition
Fraud (16)	Commercial (31)	Partnership and Corporate Governance (21)
Intellectual Property (19)	Residential (32)	Other Petition (not specified above) (43)
Professional Negligence (26)	Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)	Civil Harassment
Legal Malpractice	Judicial Review	Workplace Violence
Other Professional Malpractice (not medical or legal)	Assault/Forfeiture (05)	Elder/Dependent Adult Abuse
Other Non-P/DP/DWD Tort (35)	Petition Re: Arbitration Award (11)	Election Contest
Employment	Writ of Mandate (02)	Petition for Name Change
Wrongful Termination (38)	Writ—Administrative Mandamus	Petition for Relief From Late Claim
Other Employment (15)	Writ—Mandamus on Limited Court Case Matter	Other Civil Petition
	Writ—Other Limited Court Case Review	
	Other Judicial Review (39)	
	Review of Health Officer Order	
	Notice of Appeal—Labor	
	Commissioner Appeals	

SHORT TITLE:

Joseph Bazo v. Saxon Mortgage

CASE NUMBER

**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to LASC Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☒ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL _____ ☐ HOURS/ ☒ DAYS

Item II. Select the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column B below which best describes the nature of this case.

Step 3: In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Los Angeles Superior Court Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

- | | |
|---|--|
| 1. Class Actions must be filed in the County Courthouse, Central District. | 8. Location of property or permanently garaged vehicle. |
| 2. May be filed in Central (Other county, or no Bodily Injury/Property Damage). | 7. Location where petitioner resides. |
| 3. Location where cause of action arose. | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred. | 9. Location where one or more of the parties reside. |
| 5. Location where performance required or defendant resides. | 10. Location of Labor Commissioner Office. |

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (48)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A8070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 2., 4. 1., 2., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 2., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 2., 4.
<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress		1., 2., 3.	
<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death		1., 2., 4.	
Non-Personal Injury/Property Damage/Wrongful Death Tort	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 2., 3.
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input checked="" type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.

Non-Personal Injury/Property Damage/
Wrongful Death Tort (Cont'd.)

Employment

Contract

Real Property

Judicial Review Unlawful Detainer

SHORT TITLE: Joseph Bazo v. Saxon Mortgage		CASE NUMBER
A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons See Step 3 Above
Professional Negligence (25)	<input type="checkbox"/> A8017 Legal Malpractice <input type="checkbox"/> A8050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A8025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A8037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A8024 Other Employment Complaint Case <input type="checkbox"/> A8109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not Insurance)	<input type="checkbox"/> A8004 Breach of Rental/Lease Contract (not Unlawful Detainer or wrongful eviction) <input checked="" type="checkbox"/> A8008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input checked="" type="checkbox"/> A8019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A8028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A8002 Collections Case-Seller Plaintiff <input type="checkbox"/> A8012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A8015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A8009 Contractual Fraud <input type="checkbox"/> A8031 Tortious Interference <input type="checkbox"/> A8027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A8023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input checked="" type="checkbox"/> A8018 Mortgage Foreclosure <input type="checkbox"/> A8032 Quiet Title <input type="checkbox"/> A8060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer- Commercial (31)	<input type="checkbox"/> A8021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Residential (32)	<input type="checkbox"/> A8020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Drugs (38)	<input type="checkbox"/> A8022 Unlawful Detainer-Drugs	2., 6.
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A8116 Petition to Compel/Confirm/Vacate Arbitration	2., 5.

SHORT TITLE: Joseph Bazo v. Saxon Mortgage	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Judicial Review (Cont'd.)	Writ of Mandate (02)	<input type="checkbox"/> A8151 Writ - Administrative Mandamus <input type="checkbox"/> A8152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A8153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ/Judicial Review	2., 8.
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction defect	1., 2., 3.
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6180 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Miscellaneous Civil Complaints	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
	Partnership Corporation Governance(21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE: Joseph Bazo v. Saxon Mortgage	CASE NUMBER
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Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: CHECK THE NUMBER UNDER COLUMN C WHICH APPLIES IN THIS CASE		ADDRESS: 25968 Eshelman Avenue	
<input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.			
CITY: Lomita	STATE: CA	ZIP CODE: 91717	

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Torrance courthouse in the Southwest District of the Los Angeles Superior Court (Code Civ. Proc., § 392 et seq., and LASC Local Rule 2.0, subds. (b), (c) and (d)).

Dated: October 2, 2009


(SIGNATURE OF ATTORNEY/PLACING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet form CM-010.
4. Complete Addendum to Civil Case Cover Sheet form LACIV 109 (Rev. 01/07), LASC Approved 03-04.
5. Payment in full of the filing fee, unless fees have been waived.
6. Signed order appointing the Guardian ad Litem, JC form FL-935, if the plaintiff or petitioner is a minor under 18 years of age, or if required by Court.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

EXHIBIT B

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**AMENDED
SUMMONS
(CITACION JUDICIAL)**

SUM-100

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT:

(AVISO AL DEMANDADO): **SAXON MORTGAGE SERVICES INC**
SBMC MORTGAGE MORTGAGE ELECTRONIC REGISTRATION
SYSTEM INC. TD. SERVICE CO. OLD REPUBLIC DEFAULT
MANAGEMENT SERVICES A DIVISION OF OLD REPUBLIC
 YOU ARE BEING SUED BY PLAINTIFF: **NATIONAL TITLE INSURANCE**
 (LO ESTÁ DEMANDANDO EL DEMANDANTE): **COMPANY LAKE TWO,**
JOSEPH BAZO aka. LLC, DOES 1 through
JOE BAZO VERENA BAZO 50 Inclusive.

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

... Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, pueda perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tenga que pagar el gravamen de la corte antes de que la corte pueda desear el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

Superior Court of the State

of California, Southwest Judicial District.

Torrance Courthouse, 825 Maple Street, Torrance CA. 90503

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Law Office of Edward Lopez, APC 14640 Victory Blvd. Ste 215

Van Nuys, CA 91411. (818) 901-6098

DATE: (Fecha)

Clerk, by

(Secretario)

Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

(SEAL)

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
 2. ☐ as the person sued under the fictitious name of (specify):

3. ☐ on behalf of (specify):

under: ☐ CCP 416.10 (corporation)

☐ CCP 416.20 (defunct corporation)

☐ CCP 416.40 (association or partnership)

☐ other (specify):

4. ☐ by personal delivery on (date):

☐ CCP 416.60 (minor)

☐ CCP 416.70 (conservatee)

☐ CCP 416.90 (authorized person)

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EDWARD LOPEZ, State Bar 044558
 LAW OFFICE OF EDWARD LOPEZ, APC
 14640 Victory Boulevard, Suite 215
 Van Nuys, California 91411
 Telephone: (818) 901-6598
 Facsimile: (818) 901-6098
 email: elopez317@aol.com

Attorney for Plaintiffs
 JOSEPH BAZO, VERENA BAZO

CONFORMED COPY

OF ORIGINAL FILED
 Los Angeles Superior Court

OCT 30 2009

John A. Clarke, Executive Officer/Clerk

By T. Rhodes, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES, SOUTHWEST DISTRICT

JOSEPH BAZO, a.k.a., JOE BAZO,
 VERENA BAZO,

Plaintiffs,

vs.

SAXON MORTGAGE SERVICES,
 INC.; SBMC MORTGAGE;
 MORTGAGE ELECTRONIC
 REGISTRATION SYSTEM, INC.;
 T.D. SERVICE CO.; OLD REPUBLIC
 DEFAULT MANAGEMENT
 SERVICES, A DIVISION OF OLD
 REPUBLIC NATIONAL TITLE
 INSURANCE COMPANY' LAKE
 TWO, LLC; DOES 1 Through 50,
 Inclusive,

Defendants.

Case No.

YCO 60827

FIRST AMENDED COMPLAINT FOR:

1. BREACH OF CONTRACT
 2. BREACH OF IMPLIED COVENANT
OF FAIR DEALING ORAL CONTRACT
 3. UNFAIR DEBT COLLECTION
PRACTICES
 4. PREDATORY LENDING PRACTICES,
 5. UNJUST ENRICHMENT;
 6. VIOLATION OF BUSINESS AND
PROFESSIONS CODE, SECTIONS
17200, et seq.
 7. VIOLATIONS OF T.I.L.A.
 8. VIOLATION OF STATE
REGULATION RESTRICTED FEES
 9. VIOLATION OF SECTIONS 2924, 2945,
& 2937 of CALIFORNIA CIVIL CODE;
 10. FRAUD;
 11. CONSPIRACY TO DEFRAUD;
 12. INTENTIONAL
MISREPRESENTATIONS;
 13. TRUSTEE'S SALE IS NULL
AND VOID;
 14. CONSTRUCTIVE FRAUD
 15. RESCISSION.
 16. DECLARATORY RELIEF
- Assigned for all Purposes to the Hon.
 , Dept

Complainants, JOSEPH BAZO, a.k.a., JOSE BAZO and VERENA BAZO ,
 (hereinafter referred to as "Plaintiffs"). for their First Amended Complaint (hereinafter

First Amended Complaint

1

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1 referred to as "FAC"), against defendants, and each one of them, alleges as follows:

2
3 I.

4 PARTIES

5 1. Plaintiffs, are and at all times herein mentioned herein were individuals
6 residing in the County of Los Angeles, State of California.

7 2. Plaintiffs are informed and believe, and based upon such information and
8 belief allege, that at all times herein mentioned, defendant SAXON MORTGAGE
9 SERVICES, INC., (hereinafter referred to as "SAXON") is a corporation organized under
10 the laws of the State of Texas, with a business address at 4708 Mercantile Drive, North,
11 Dallas, Texas 76137, and authorized to do business and registered as a Corporation with
12 the Secretary of State of California.

13 3. Plaintiffs are informed and believe, and based upon such information and
14 belief allege, that at all times herein mentioned, defendant SBMC MORTGAGE,
15 (hereinafter referred to as "SBMC") is a business organization, form unknown and not
16 registered as a Limited Partnership with the Secretary of State of California. On
17 information and belief, Plaintiffs allege that SBMC was a Limited Partnership organized
18 under the laws of the State of California, with a business address at 14761 Califa Street,
19 Van Nuys, CA 91411.

20 4. Plaintiffs are informed and believe, and based upon such information and
21 belief allege, that at all times herein mentioned, defendant MORTGAGE ELECTRONIC
22 REGISTRATION SYSTEM (hereinafter referred to as "MERS"), was a corporation for
23 doing business in the State of California and at this time has been suspended as a
24 corporation by the Secretary of State of California.

25 5. Based on information and belief, Plaintiff alleges that MERS was a shell entity
26 which was made up of a group of members, primarily loan originators, such as defendants,
27 used to facilitate the "flipping" of loans, to a secondary mortgage market entity, who then
28 packages the loans as part of a mortgage packaged trust.

1 6. Plaintiff further alleges that MERS members decided it was too costly to pay
2 recording fees in loans that might be flipped numerous times, MERS was chosen as
3 *nominee* for the lender and its assigns in these deeds of trust, for the purpose of
4 immobilizing the mortgage lien while transfers of the promissory notes and servicing
5 rights could continue to occur without the expense of recordation.

6 7. T.D. SERVICE COMPANY.(hereinafter referred to as "TD", is a corporation
7 organized under the laws of the state of California and registered as a Corporation with the
8 Secretary of State of California. On information and belief, was a corporation organized
9 under the laws of the State of California, business address at 1820 East First Street, Suite
10 200, Santa Ana, CA 92705. On information and belief, Plaintiff alleges that TD was
11 formed to take over the role of MERS after MERS was suspended and apparently
12 dissolved.

13 8. Plaintiffs are informed and believe, and based upon such information and
14 belief allege, that at all times herein mentioned, defendant OLD REPUBLIC DEFAULT
15 MANAGEMENT SERVICES, (hereinafter referred to as "OLD DEFAULT") is a
16 business organization, form unknown, not registered with the Secretary of State of
17 California. On information and belief, Plaintiffs allege that OLD DEFAULT had a
18 business address at 500 City Parkway West, Suite 200, Orange, CA 92868..

19 9. On information and belief, Plaintiffs allege that OLD DEFAULT is a Division
20 of defendant OLD REPUBLIC NATIONAL TITLE. INSURANCE COMPANY
21 (hereinafter referred to as "OLD REPUBLIC"), is a Corporation organized under the laws
22 of the State of California and registered with the Secretary of State as such. On
23 information and belief, Plaintiffs allege that OLD REPUBLIC's business address is 400
24 Second Avenue South, Minneapolis, MN 55401..

25 10. Plaintiffs are informed and believe, and based upon such information and
26 belief allege, that at all times herein mentioned, defendant LAKE TWO, LLC, is a limited
27 liability company organized under the laws of the State of California and authorized to do
28 business in the State of California, with an address of P. O. Box 1065, Burbank, CA

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2 11. The Defendants (each of them named in paragraphs 1 through 6 above, shall
3 collectively be referred to as "DEFENDANTS") named therein "all persons unknown",
4 claiming any legal or equitable right, title estate, lien or interest in the property described
5 in this Complaint averse to Plaintiff's title thereto and as DOES 1 through 50 (hereinafter
6 referred to as "UNKNOWN DEFENDANTS") are unknown to Plaintiffs. These unknown
7 Defendants and each of them claim some right, title, estate, lien or interest in the Property
8 hereinafter described adverse to Plaintiff's title and their claims and each of them
9 constitute a cloud on Plaintiff's title to the Property. Plaintiffs are informed and therefore
10 believes, and on that bases alleges that each fictitiously named hereto as a DOES is
11 responsible for the events happening thereafter alleged. Plaintiffs will seek leave of the
12 Court to amend this Complaint to allege the true names and capacities of said fictitiously
13 named Defendant's when ascertained.

14 12. Plaintiffs are informed and believe and on that basis allege that at all times
15 mentioned herein the UNKNOWN DEFENDANTS are individuals and/or business
16 entities whose forms are unknown and were agents, principals, employees, employers and
17 co-conspirators of each and every other named or unnamed Defendant in this Complaint.
18 Plaintiffs are informed and therefore and on that bases allege that each of said Defendants
19 is and at all relevant times herein, was acting within the scope and consent of the
20 remaining named and unnamed Defendants

21 13 Whenever in this FAC an act or omission of a corporation or business entity is
22 alleged, the allegation shall be deemed to mean and include an allegation that the
23 corporation or business entity acted or omitted to act through its authorized officers,
24 directors, agents, servants, and/or employees, acting within the course and scope of their
25 duties, that the act or omission was authorized by corporate managerial officers or
26 directors, and that the act or omission was ratified by the officers and directors of the
27 corporation or business entity..

28 14. Plaintiffs are informed and believe, and based upon such information and

1 belief alleges, that defendants, and each of them, are responsible in some manner for the
2 occurrence herein alleged, and that plaintiff's damages as herein alleged were proximately
3 caused by defendant's conduct.

4 15. Whenever and wherever reference is made in this FAC aint to any act by a
5 defendant or defendants, such allegation and reference shall also be deemed to mean the
6 acts and failures to act of each defendant acting individually, jointly and severally.

7 16. As a result of their mortgage activities, Defendants and each of them are and
8 were subject to and must comply wi the Federal Truth In Lending Act (hereinafter referred
9 to as "TILA" [15 U.S.C. section 1601-1666j] and with the Act's corresponding
10 Regulation Z (hereinafter referred to as "RegZ") [24 C.F.R section 3500.17]; the Real
11 Estate Settlement Procedure Act (hereinafter referred to as "RESPA") [12 U.S.C. section
12 2601 et seq.]; California Business and Professions Code section 17200; Federal Trade
13 Commission section 5; 24 Code of Federal Regulations section 3500.10; Unfair and
14 Deceptive Business Practices and Acts [UDAP Statutes]; and California Civil Code
15 sections 1916.7 - [multiple sections]; section 1537; section 1918-21; section 337; and
16 section 226.23(3).

17
18 II.

19 **JURISDICTION AND VENUE**

20 17. The above-entitled Court is the proper Court for this action as the action was
21 commenced in this court and all parties are subject to the jurisdiction and venue of this
22 Court. The Subject Property is located within the County of Los Angeles.

23
24 III.

25 **GENERAL ALLEGATIONS**

26 18. Plaintiff re-allege and incorporate by reference all preceding paragraphs as
27 though fully set forth herein.

28 19. For years, mortgage brokers and lenders have been selling loan products that

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1 they knew or should have known would never be able to be repaid by the borrower and
2 would prevent borrowers from ever actually owning the home. Instead, borrowers were
3 offered interest-only, negative amortization, and/or other sub-prime loan products that
4 amounted to no more than a short term lease until the payments became so unaffordable
5 that the borrowers are now faced with either bankruptcy or foreclosure. The housing
6 bubble of the past decade was created by predatory lending practices, such as charging
7 excessive fees, incorporating payment penalties, negative amortization payments, or other
8 abusive terms in the agreements, providing kickbacks to brokers, flipping loans, using
9 balloon payments to conceal the true burden of the financing, requiring unnecessary
10 insurance and other products, including mandatory arbitrations clauses, steering borrowers
11 to sub-prime loans when they qualify for conventional loans, and using bait and switch
12 tactics. All were rampant within the industry without oversight or good judgment and
13 found to be inconsistent with important national objectives, including the goals of
14 facilitate access to credit, community development, and stable home ownership by the
15 broadest spectrum of America. Rather than offering a loan product that was viable and
16 long-term for the borrower and lender, brokers and lenders greedily sold whatever they
17 could get away with, arguably the primary catalyst for what is now this country's worst
18 economic crisis since the Great Depression.

19 20. The loan product sold to Plaintiffs in this case was exactly the kind of loan
20 that has contributed to our national problem. The Defendants were aware of this trend,
21 and possessed the foresight to advise Plaintiffs of this risk. They intentionally concealed
22 the negative implications of the loan they were offering, and as a result, Plaintiffs face the
23 potential of losing her home to the very entity and entities who placed them in this
24 position.

25 21. On July 2002, Plaintiffs purchased the property at 24968 Eshelman Avenue,
26 Lomita, CA 90717 (hereinafter referred to as "the Property"). The lender was People
27 Choice and the purchase loan was in the approximate sum of sum of \$175,000.00.
28 Subsequently, Plaintiff re-financed the property, with Indymac Bank as the lender

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1 22. Believing that she could obtain better financing and better loan terms,
2 Plaintiffs decided to re-finance the Property on or about July 2007. The lender for this re-
3 financing was defendant SBMC. Plaintiffs entered into the re-financing contract, by
4 signing a promissory note that evidenced the debt to the new lender. Plaintiffs also signed
5 a Deed of Trust, a security instrument that was to guarantee payment of the note and to be
6 alien against the property once it was recorded.

7 23. The financing for the property with SBMC, consisted of a loan for the sum of
8 \$503,200.00. The loan was secured by an Initial Interest Adjustable Rate Note for a term
9 of ten years, where the monthly payments were for interest only. Under the terms of the
10 Note, after five years, the interest would be adjusted in accordance with the Loudon
11 Interbank Offered Rate (LIBOR) and at the end of ten years, Plaintiffs would star to make
12 payments of the principal plus interest at a rate to be detennined by LIBORt. Thus,
13 Plaintiffs would be making interest only payments for a term of ten years, which at the end
14 of five years, would be adjusted to a rate that could be considerably higher that the initial
15 rate of 5.75%. The note is appended herein as Exhibit "1".

16 24. In addition o the Note, Plaintiffs executed a Deed of Trust, to secure the
17 Note, for the same amount. The parties to the Deed of Trust were Plaintiffs as Trustors,
18 SBCM as lender; T.D. SERVICE CO. as Trustee and Mortgage Electronic Registration
19 System ("MERS") as beneficiary.. As mentioned above, MERS was a shell composed of
20 loan originators, such as defendants, to facilitate the "flipping" of loans, to a secondary
21 mortgage market entity, who then packages the loans as part of a mortgage packaged trust.

22 25. Plaintiffs further alleges that MERS members decided it was too costly to pay
23 recording fees in loans that might be flipped numerous times , MERS was chosen as
24 *nominee* for the lender and its assigns in these deeds of trust, for the purpose of
25 immobilizing the mortgage lien while transfers of the promissory notes and servicing
26 rights could continue to occur without the expense of recordation. The promissory note
27 and deed of trust were executed on or about July 19, 2007and recorded on July 27, 2007...
28 A copy of the Deed of Trust is appended herein as Exhibit "2".

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1 26. After making payments on the loan for approximately 9 months, plaintiff's
2 earnings diminished considerably and their general financial situation deteriorated to the
3 extent that she was unable to meet their obligations, including payment on the loan.

4 27. On or about January 23, 2009, plaintiffs received a document entitled Notice
5 of Trustee's Sale, dated January 20, 2009. The document states that the Trustee's Sale of
6 the property was scheduled for February 13, 2009. This was the first official document
7 received by Plaintiffs informing Plaintiffs that they had defaulted in their loan. Plaintiff
8 never received documentation informing them that she had defaulted on their loan. A copy
9 of the Notice of Trustee's Sale is appended herein as Exhibit "3". Plaintiffs contacted
10 SAXON, who was the servicer under the loan, in a good faith attempt to have her loans
11 modified so that they could continue making payments on hr loan and salvage her credit.

12 28. Modification negotiations started and several attempts were made to have it
13 modified. However, not even with the intervention of an attorney, were Plaintiffs able to
14 obtain a true and genuine modification that would enable them to make payments on the
15 loan. It was apparent that SAXON was negotiating in good faith and lacked final authority
16 to offer a modification in terms that Plaintiffs could live with. SAXON was only the
17 servicer of the loan and lacked authority to accord a true modification that would not
18 increase the amount the Plaintiffs and at the same time satisfy the investor.

19 29. The modification proposed by SAXON did not improve the existing loan
20 condition for Plaintiffs. In fact, the proposed modification increased the principal and
21 would extend the period of time required for the payment of the loan. In essence, it was
22 no modification at all. Subsequently, the property was sold pursuant to the power of sale in
23 the Deed of Trust on or above August 24, 2000. The property was purchased by
24 Defendant LAKE TWO..

25 30. Plaintiffs did not receive notice of the sale not copies of the Trustee's Deed
26 of Sale and had no way to know who the buyer of the property was at the non-judicial sale,
27 what price was paid for the property, who was the Trustee that conducted the sale, whether
28 the authorized Trustee conducted the sale and whether the sale was conducted as a public

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1 auction pursuant to the provisions of Civil Code provisions regulating non-judicial sales
2 and public auctions. All of the aforementioned acts were done in violation of section 2934,
3 et al of the Civil Code.

4 31. Subsequently Plaintiffs learned that the property had been purchased LAKE
5 TWO at the non-judicial sale on August 24, 2009 for \$406,000.00. Plaintiffs allege that
6 the sale did not conform to the requirements of the Civil Code regulating public
7 auctions. The Trustee that conducted the sale was OLD DEFAULT, who purportedly had
8 been substituted as Trustee by MERS, when MERS, being merely a shell corporation,
9 had no authority whatsoever to do so because MERS had no legal interest in the property
10 nor in its title. All of the aforementioned acts were done in violation of section 2934, et al
11 of the Civil Code.

12 32. The terms of the finance transaction with SBCM are not clear or
13 conspicuous, nor consistent, and are illegal, and include, for example, a "Pick & Pay"
14 Payment Option on an Adjustable Rate Mortgage loan, which violates several statutes and
15 in essence creates an illegal loan. Further, this loan was underwritten without proper due
16 diligence by SBCM as evidenced by their failure to verify borrower's income utilizing
17 signed IRS income Tax Disclosures Form 4506T which would have provided past
18 borrower tax returns. SBCM also used a "GDW Cost of Savings" as the Index for the
19 basis of this loan, because the Lender controls this Index and it is directly based upon the
20 average rate of interest lending institutions such as SBCM who exercise control over the
21 mortgage rate on interest.

22 33. In addition, and unbeknownst to Plaintiffs, SBCM illegally, deceptively
23 and/or otherwise unjustly, qualified Plaintiffs for a loan which SBCM knew or should
24 have known that Plaintiffs could not qualify for or afford by, for example, the underwriter
25 has approved this loan based upon credit scores and the borrower's Stated Income only.
26 Had SBCM used a more accurate and appropriate factor, such as Tax Forms and a more
27 determinative level of scrutiny of determining the debt to income ratio, Plaintiff would not
28 have qualified for the loan in the first place. Consequently, SBCM sold Plaintiff a loan

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1 product that it knew or should have known would never be able to be fully paid back by
2 Plaintiff. SBCM ignored long-standing economic principles of underwriting and instead,
3 knowingly, liberally, greedily and without any regard for Plaintiff's right, sold Plaintiff a
4 deceptive loan product.

5 34. There was no determination of the ability of the borrower to repay the loan,
6 with complete disregard for the Guidance Letters issued by Federal Agencies and even
7 Federal and State Law.

8 35. Defendants, and each of them, neither explained the workings of the entire
9 mortgage loan transaction, how the rates, finance charges, costs and fees were computed,
10 nor the inherent volatility of the loan product provided by Defendants.

11 36. The purpose of entering into the above-described mortgage loan transactions
12 was for Plaintiffs improve their financing and eventually own the property. That purpose
13 was knowingly and intentionally thwarted and indeed made impossible by Defendant's
14 actions alleged herein.

15 37. Plaintiffs are informed and believe and therefore allege that Defendants did
16 not comply with the requirements to provide Plaintiffs with a Mortgage Loan Origination
17 Agreement.

18 38. Plaintiffs are informed and believe and therefore allege that the underwriter
19 approved this loan based only upon a stated income and a medium to high risk credit score
20 and a belief that the property would continue to increase in value and that the Plaintiffs
21 should have been declined for this loan.

22 39. Plaintiffs were informed and believe and therefore alleges that based on a
23 Real Income Analysis, with the type of take home income Plaintiffs possess and that was
24 clearly disclosed to defendants, that the borrower would not be able to support the home
25 payment over an extended period.

26 40. Plaintiffs are informed and believe and therefore allege that by the very use
27 of London Interbank Offered Rate ("LIBOR") as the Index for the basis of this loan,
28 SBCM is in violation of this subsection (CA CIV section 1916.7 10 © INDEX) because

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1 the Index is controlled by banking and lending institutions, such as the Lender herein and
2 it is directly based upon the average rate of interest the Lender and other lending
3 institutions. .

4 41. Plaintiffs are informed and believe and therefore allege that Defendants
5 failed to provide Plaintiff with written notice of the furnishing of negative credit
6 information about Defendants furnished such negative credit information about Plaintiff.

7 42. Plaintiffs are informed and believe and therefore allege that a California
8 Insurance Disclosure as mandated by law was not provided to the Plaintiffs prior to the
9 consummation of this loan.

10 43. Plaintiffs are informed and believe and therefore allege that Defendants
11 breached their fiduciary duty to Plaintiff because they knew or should have known that the
12 Plaintiffs will or had a strong likelihood of defaulting on this loan, they have a fiduciary
13 duty to the borrower to not place them in that loan (in harms way).

14 44. Plaintiffs are informed and believe and therefore allege that it was in the best
15 interest of the Defendants to promote the particular program for which they approved the
16 Plaintiff. It led to a maximization of profits for the Defendants, with no concerns for the
17 Plaintiff's financial position or livelihood.

18 45. Plaintiffs are informed and believe and therefore allege that as a result of the
19 practices of Defendants, and each of them throughout the handling of this loan, that such
20 practices are consistent with the definition of predatory lending, and encompass numerous
21 characteristics that indicate such.

22 46. Plaintiffs are informed and believe and therefore allege that Defendants
23 engaged in unlawful, unfair or fraudulent business act or practice and unfair, deceptive,
24 untrue or misleading advertising in violation, rising to unfair and deceptive business
25 practices, in violation of California Business and Professions Code section 17200 and the
26 Unfair and Deceptive Acts and Practices statutes.

27 47. Plaintiffs are informed and believe and therefore allege that SBCM was
28 required to provide for an Open Ended Credit Plan, including a 15-year table showing the

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1 effects of the index used on loan payments. However it failed to provide such plan or
2 adviser.

3
4 IV

5 **FIRST CAUSE OF ACTION**

6 **(Breach of Contract)**

7 (Against All Defendants)

8 48. Plaintiffs incorporate by reference and re-allege the each of the allegations
9 contained in Paragraph 1 through 47, inclusive, as though fully set forth in this First Cause
10 of Action.

11 49. On or about July 2007, plaintiffs entered into an oral agreement with SAXON
12 and SBCM where SAXON and SBCM would negotiate with plaintiff for a modification
13 of the loans on the property. The purpose of this agreement was to alleviate Plaintiff's
14 financial burden and enable them to make payments they could better afford and avoid a
15 foreclosure on the property. SBCM would benefit from the modification by receiving
16 regular payments from Plaintiff under a better financial restructuring their loan. The
17 common purpose for both parties was to avoid a foreclosure of the property that would
18 benefit both parties

19 50. In reliance of Defendant's representations, Plaintiff engaged in negotiations
20 with Defendants. Modification negotiations started on or about November 2008, between
21 plaintiff's designated agent and Defendants. SAXON, the loan servicer did not have the
22 complete to modify the loan. It was apparent that the investor did not want to have the loan
23 modified..

24 51. It is patently clear that Defendants did not want to modify Plaintiff's loan
25 from the very beginning of the negotiations. Based on Defendant's conduct all throughout
26 the negotiations that they never truly intended to modify the loan, a clear breach of the
27 agreement.

28 52. After months of negotiations with Plaintiffs, Defendants had the property

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1 sold in a non-judicial sale without giving proper notification to Plaintiffs. Had SAXON
2 and SBCM communicated its true intentions of not modifying the loans, Plaintiffs could
3 had taken other protective measure to save her home from a non-judicial sale. Her
4 inaction in doing so was the result of her reliance of Defendant's promise of negotiation in
5 good faith for a loan modification.

6 53. Plaintiffs fully performed all the acts and conditions require by the oral
7 contract to be performed on their part, except as to those acts that have been prevented,
8 delayed, or excused by acts or omissions of defendants...

9 54. In breach of the agreement, defendants failed and refused to perform all the
10 acts and conditions required by the agreement to be performed on their part, including
11 without limitation, their promise to engage in good faith negotiations for the modification
12 of the loans, failure to notify plaintiffs of the date and place of the trustee's sale of the
13 property, and inducing plaintiffs to stop making payments on the loan with the implied
14 promise it was going to be renegotiated..

15 55. As a direct and proximate result of the aforementioned acts, plaintiffs have
16 been damaged in an amount according to proof at the time of trial, but at least
17 \$250,000.00, consequential damages, interest and attorney's fees.

18
19 V

20 **SECOND CAUSE OF ACTION**

21 **(Breach of Implied Covenant of Good Faith**

22 **And Fair Dealing Oral Contract)**

23 (Against All Defendants)

24 56. Plaintiffs incorporates by reference and re-alleges each of the allegations
25 contained in Paragraphs 1 through 55, inclusive, as though fully set forth in this Second
26 Cause of Action.

27 57 The agreement contains an implied covenant of good faith and fair dealing
28 obligating Defendants to act fairly and in good faith to guarantee performance of the

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1 agreement, to avoid destroying or injuring cross-complainant rights to enjoy the benefits of
2 the agreement, and to do everything that the agreement presupposes will be done to
3 accomplish its purposes.

4 58. SBCM breached the implied covenant of good faith and fair dealing by
5 failing and refusing in bad faith, to perform all the acts and conditions required by the
6 agreement to be performed on his part, including without limitation, their promise to
7 engage in good faith negotiations with Plaintiffs, failure to notify plaintiffs of the date and
8 place of the trustee's sale of the property, and inducing plaintiffs to stop making payments
9 on the loan with the implied promise that the loans were going to be renegotiated..

10 59. As a direct and proximate result of the aforementioned acts, plaintiffs have
11 been damaged in an amount according to proof at the time of trial, but a least \$250,000.00,
12 consequential damages, interest and attorney's fees..

13
14 VI.

15 **THIRD CAUSE OF ACTION**

16 **(Unfair Debt Collection Practices)**

17 **(Against All Defendants)**

18 60. Plaintiffs re-allege paragraphs 1 to 59 as fully set forth herein.

19 61. SBCM, SAXON and Does 1 to 3, were, at all times mentioned in this
20 complaint, debt collectors acting in such a capacity in attempting to collect the debt owed
21 by Plaintiffs.. Upon information and belief, Plaintiffs allege that Defendants refused to
22 negotiate with Plaintiffs when they attempted to have SAXON modify or re-structure the
23 loans. Instead, Defendants informed them that their only option was to make all accrued
24 payments forthwith and denied their good faith effort for a loan modification. .

25 62. These actions by Defendants are in violation California Rosenthal Fair Debt
26 Collection Practices Act, including but not limited to Civil Code section 1788(e) and (f),
27 and the Federal Debt Collections Act, 15 U.S.C, Title 41, Subchap. V, sections 1692, *et*
28 *seq*, and the Real Estate Settlement Procedures Act (RESPA), 23 U.S.C. sections

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1 250101617.

2 63. As a legal and factual result of defendants wrongful acts pursuant to the their
3 unfair debt collection practices herein alleged, Plaintiffs have been damaged in a sum as
4 yet undetermined but will be proved and within the jurisdiction of this Court.

5
6 VII.

7 **FOURTH CAUSE OF ACTION**

8 **(Predatory Lending Practices)**

9 **(Against All Defendants)**

10 64. Plaintiffs re-allege all paragraphs 1 to 63 as if fully set forth herein.

11 65. Predatory lending is a term generally used to characterize a range of abusive
12 lending practices, including deception or fraud, charging excessive fees and interest rates,
13 making loans without regard to a borrower's ability to repay, or refinancing loans to incur
14 additional fees without economic gain to the borrower. Predatory lending is most likely to
15 occur in the rapidly growing "supreme mortgage market, which is a market generally
16 providing access to borrowers wit impaired credit, limited income, or high debt relative to
17 their income.

18 66. The loans that Defendants induced Plaintiffs to enter into were predatory in
19 nature. Both loans called for payment of interest only for the first five years. The
20 principal loan wold change the interest rate and increase it to a variable rate. these loans
21 are a perfect example of predatory lending practices at its worst and egregious violations
22 and laws and regulations against predatory lending.

23 67. Plaintiffs allege that all Defendants herein applied and used predatory lending
24 practices in the aforementioned loan by charging excessive fees and making him incur
25 excessive costs. Defendants did not inform complainants of all of the fees and costs that
26 the refinancing would cost and knew of his limited income, thus engaging in predatory
27 lending practices. Further, Defendants knew that the amount refinanced created a high
28 debt relative to Plaintiff's income. This conduct by defendants was fraudulent and

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1 deceptive and in violation of California Finance Code sections 4970-4979.8 (Division 1.6)

2 68. As a legal and factual result of Defendants wrongful acts pursuant to the their
3 predatory lending practices herein alleged, Plaintiffs have been damaged in a sum as yet
4 undetermined but will be proved and within the jurisdiction of this Court.

5
6 VIII

7 **FIFTH CAUSE OF ACTION**

8 (Unjust Enrichment)

9 (Against All Defendants)

10 69. Plaintiff incorporates by reference herein the allegations contained in
11 Paragraphs 1 through 68, inclusive as though fully set forth herein.

12 70. In committing the wrongful act and omissions complained of herein,
13 Provident has been unjustly enriched at the expense of Plaintiffs in an amount to be proven
14 at trial, but in excess of the jurisdictional minimum. Plaintiff's damages include damages
15 resulting from the loss of their home through foreclosure and non-judicial sale,
16 consequential damages, loss of income and time. .

17 71. If Defendants are allowed to retain the monies resulting from his wrongful
18 acts and omissions as alleged herein Defendants will be unjustly enriched by profits from
19 its own wrongdoing and will retain monies and assets which it is not entitled to keep. As a
20 direct and proximate result of Defendant's wrongful conduct as alleged herein, Plaintiffs
21 have been damaged in an amount according to proof at the time of trial. By reason of te
22 foregoing, Plaintiffs are entitled to restitution and disgorgement of all monies and assets
23 obtained by Defendant's wrongful conduct.

24
25 IX

26 **SIXTH CAUSE OF ACTION**

27 **(Violation of Business and Professions Code, Sections 17200, et seq.)**

28 (Against all Defendants)

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1 72. Plaintiffs re-allege paragraphs 1 to 71 as if fully set forth herein.

2 73. California Business and Professions Code, section 17200 prohibits acts that
3 promote any unlawful, unfair, or fraudulent business acts or practices.

4 74. By and through their conduct detailed above, defendants have engaged in
5 activities which constitute unlawful, unfair, and fraudulent business practices prohibited
6 by Business and Professions Code, section 17200, *et seq.*

7 75. Beginning on or about February, 2008 and continuing up to present,
8 defendants have committed acts of unfair business practices by engaging in a pattern of
9 unlawful, unfair and fraudulent business practices that violate the wording and intent of
10 statutes and by defying California state and federal law. Defendants have engaged in
11 business practices that are immoral, unethical, oppressive or unscrupulous, the utility (if
12 any) of which conduct is far outweighed by the harm done to the public and public policy.

13 76. The acts and practices described above were unlawful and unfair because as
14 set out above, they were deceptive, fraudulent and violated the Racketeering and Corrupt
15 Organizations Act (RICO). Defendants through their actions committed set out above also
16 committed other violations of the statutory and common law of California and the United
17 States of America.

18 77. As a legal and factual result of Defendants wrongful acts pursuant to their
19 unfair business practices herein alleged, Plaintiffs have been damaged in a sum as yet
20 undetermined but will be proved and within the jurisdiction of this Court.

21
22 X.

23 **SEVENTH CAUSE OF ACTION**

24 **(Violations of TILA, Truth In Lending Act)**

25 (Against all Defendants)

26 78. Plaintiffs re-allege paragraphs 1 to 77 as if fully set forth herein

27 79 Congress enacted the Truth in Lending Act (hereinafter referred to as "TILA")
28 and Federal reserve Board Regulation Z implementing it, to protect consumers' choice

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1 through full disclosure and to guard against the divergent and at times fraudulent practices
2 stemming from uninformed use of credit. The stated congressional purposes behind TILA
3 is to assure a meaningful disclosure of credit terms so that the consumer will be able to
4 compare more readily the various credit terms available to him and avoid the uninformed
5 use of credit, and to protect the consumer against inaccurate and unfair credit billing. (15
6 U.S.C. section 1601(a); 12 C.F.R section 226.1(b)).

7 80. The Home Owners And Equity Protection Act (hereinafter referred to as
8 "HOEPA") amends TILA to ensure that consumers understand the terms of such loans
9 and are protected from high pressure sales tactics. The amendment also prohibits High
10 Cost Mortgages from including certain terms such as prepayment penalties and balloon
11 payments that have proven problematic to consumers.

12 81. Plaintiffs allege that beginning or about July 2007, defendants engaged in acts
13 that violate the spirit and the law of TILA, more particularly, inducing complainants to
14 enter into a high cost loan, interest only loans, balloon Notes where at the end of five years
15 Plaintiff would have to pay the whole principal high interest rates, prepayment penalties
16 and other practices, all in violation of TILA and HOEPA. As a result of such unlawful
17 conduct, complainants have suffered irreparable damage.

18 82. As a legal and factual result of Defendants wrongful acts pursuant to the their
19 Truth In Lending violations herein alleged, Plaintiffs have been damaged in a sum as yet
20 undetermined but will be proved and within the jurisdiction of this Court.

21
22 XI.

23 **EIGHT CAUSE OF ACTION**

24 **Violation of State Regulation Restricted Fees**

25 (Against all Defendants)

26 83. Plaintiffs re-allege paragraphs 1 to 82 as if fully set forth herein

27 84. Defendants charged a prohibited fee by charging Plaintiffs more than one
28 appraisal fee, in violation of California *Finance Code* section 222317. Defendants also

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1 collected an unreasonable escrow or escrow related fee. Under California *Finance Code*
2 sections 17000 and 22318, the fee is considered unreasonable when paid to a person
3 licensed or exempt under the Escrow Law. Defendants, instead, paid the appraiser fee to a
4 person not licensed nor exempt from the Escrow Law, all in violation of the above referred
5 statute.

6 85. Defendants violated Code of California Regulations, section 1457 by
7 retaining a statutory fee paid to a public officer, in that, it retained the notary fee, in
8 violation of Code of California Regulations section 1458

9 86. As a legal and factual result of Defendants wrongful acts pursuant to their
10 State Regulation Restricted Fees practices herein alleged, plaintiffs have been damaged in
11 a sum as yet undetermined but will be proved and within the jurisdiction of this Court.

12
13 XII.

14 NINTH CAUSE OF ACTION

15 Violation of Sections 2923, 2924, 2934 and 2937 of Civil Code

16 (Against all Defendants)

17 87. Plaintiffs re-allege paragraphs 1 to 86 as if fully set forth herein.

18 88. Plaintiffs allege that beginning or about April 2009, Defendants engaged in
19 acts that violate the California Civil Code, section 2923.52 of the Civil Code for not
20 negotiating in good faith toward the modification of the loan, contrary to the spirit of the
21 statute and contrary to the legislative intent in enacting the statute

22 89. Plaintiffs further allege that beginning or about July 2007, Defendants
23 engaged in acts that violate the California Civil Code, 2934(a)(2)(D) because they failed to
24 provide proper notification to plaintiff of the substitution of Trustee, as required by the
25 above stated statute.

26 90. Plaintiffs further allege that beginning or about July 2007, Defendants
27 engaged in acts that violate the California Civil Code 2924.8 for not posting and mailing to
28 Plaintiff the Notice of Sale in Spanish, the native language of Plaintiff, when Defendants

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1 knew that Plaintiffs were born and raised in the Peru and their native language is Spanish.

2 91. Defendants also engaged in acts that violate the California Civil Code
3 sections 2937(a)(b) in not notifying plaintiff of the transfer of the servicer for the loan, as
4 required by the above stated statute. As a result of such unlawful conduct, Plaintiffs have
5 suffered irreparable damage.

6 92. As a legal and factual result of defendants wrongful acts pursuant to the Civil
7 Code statutes herein alleged, plaintiffs have been damaged in a sum as yet undetermined
8 but will be proved and within the jurisdiction of this Court.

9
10 XIII

11 TENTH CAUSE OF ACTION

12 Fraud

13 (Against all Defendants)

14 93. Plaintiffs re-allege paragraphs 1 to 92 as if fully set forth herein.

15 94. The defendants, and each of them, made intentional misrepresentations,
16 through their preparation and submission of incomplete, deceptive and defective loan
17 documents and withholding from them information and documentation, to induce
18 complainants accept and execute them, including but not limited to escrow documents
19 which plaintiffs would not have done but for the actions of said defendants.

20 95.. These representations and the loan documentation as described above were
21 deceptive, misleading and false when made. Plaintiffs were justified in relying upon the
22 representations since defendants held themselves out to be reputable and licensed
23 professionals and complainants had no prior notification to the contrary.

24 96. Plaintiffs were unaware of the falsity of the representations in the loan and
25 financing documentation and acted in reliance upon the truth of the representations
26 submitted by defendants.

27 97.. As a result of the reliance upon the truth of the representations made by and
28 loans documentation prepared, assembled and submitted by defendants, as well as the

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1 withholding of relevant documents from them, Plaintiffs have sustained damages, which
2 are based on fraudulent misrepresentation, all to an amount to be proved at the time of
3 trial.

4 98 Defendants and each of them, did the things herein alleged, intentionally,
5 oppressively, and maliciously, and plaintiff is therefore entitled to punitive damages to be
6 determined at the time of trial.

7
8 XIV

9 ELEVENTH CAUSE OF ACTION

10 Conspiracy to Defraud

11 (Against all Defendants)

12 99. Plaintiffs re-allege paragraphs 1 to 98 as if fully set forth herein.

13 100. Defendants and each of them, knowingly, willfully and maliciously entered
14 into a conspiracy and agreement to have escrow officers, appraisers, Notaries Public,
15 property sellers and Does 1 to 5, deceptively, misleadingly and falsely represent to and
16 submit deceptive and incomplete loan documentation to complainants, to induce them to
17 execute the loan documents.

18 101. In reliance of these representations, complainants executed the documents
19 and became indebted to Defendants. Plaintiffs were unaware of the defective, incomplete
20 and misleading documentation and the improper actions of defendants.

21 102. As a legal and factual result of Defendants wrongful acts pursuant to the
22 conspiracy herein alleged, Plaintiffs have been damaged in a sum as yet undetermined but
23 will be proved a time of trial and within the jurisdiction of this Court.

24
25 XV

26 TWELFTH CAUSE OF ACTION

27 Intentional Misrepresentations

28 (Against all Defendants)

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1 103. Plaintiffs re-allege paragraphs 1 to 96 as if fully set forth herein.

2 104. Defendants and each of them, at the time they submitted loan and financial
3 documentation, made representations that the information set forth in the documentation
4 was true and correct as set out in detail above. Further, defendants intentionally
5 misrepresented to Plaintiffs that they would negotiate in good faith to enable Plaintiff to
6 modify her loan to make it more affordable to them.

7 105. These representation were false since defendants knew or should have
8 known that the sale of the property to plaintiffs was at an inflated price, the appraisal
9 overstated the value of the property, that they had the duty and obligation to notify
10 plaintiffs of the assignments and transfers of trustees and services, and the noticing of the
11 non-judicial sale of the property, including the date and place of the sale.

12 106. The defendants knew that the representations were false when made, or
13 made representations recklessly without consideration of whether the representations were
14 true or false.

15 107 The Defendants made the representations with intent to defraud plaintiffs
16 for the purpose of inducing Plaintiffs to rely upon the same and for plaintiffs to execute
17 loan documents and not to proceed with the intended short sale of the property. Further,
18 Defendants and each of them, in pursuing non-judicial foreclosure, represented they had
19 the right to payment under the Promissory Note, payment of which was secured by the
20 security instrument that is identified as Exhibit "I" of the complain. Defendants knew that
21 they did no have possession of the Promissory Note nor were non-holders of the note.

22 108. Plaintiffs were unaware of the falsity of defendants representations since
23 defendants held themselves out to be reputable and licensed professionals and its own
24 employees, who had a fiduciary duty to act in its best interests, concealed the scheme from
25 plaintiffs.

26 109 The intentional misrepresentations were no discovered by Plaintiffs until the
27 non-judicial sale was effected as set out further in detail above.

28 110. The intentional misrepresentations of facts which wee material to the

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1 entering into the loan and the loss of the property, were made intentionally, oppressively,
2 and maliciously and Plaintiffs are entitled to punitive or exemplary damages in a sum to be
3 determined at time of trial, which purpose is to punish the wrongdoing of the Defendants.

XVI

THIRTEENTH CAUSE OF ACTION**Trustee's Sale in Void and Null**

(Against all Defendants)

9 111. Plaintiffs re-allege paragraphs 1 to 110 as if fully set forth herein.

10 112. Based on information and belief, Plaintiffs allege that the Notice of Default
11 and Notice of Sale are void and of no effect because defendants had no power of sale.
12 Defendant OLD DEFAULT, had no power or authority as the purported Trustee in the
13 Notice of Sale, to conduct the non-judicial sale since OLD DEFAULT is not the original
14 Trustee in the Deed of Trust and the Substitution of Trustee designating OLD DEFAULT
15 as the new Trustee is a nullity. The Substitution of Trustee is also faulty as it recites that
16 MERS is the nominee for SAXON, when in reality MERS appears in the Deed of Trust as
17 nominee for SBCM, the lender under the Deed of Trust. Saxon is merely the servicer and
18 has no standing to act as beneficiary. Further, the Trustee's Deed recites that OLD
19 DEFAULT is the duly appointed Trustee in the Deed of Trust, when in reality the Trustee
20 in the Deed of Trust was T.D. SERVICE, thus making the Trustee's Deed null and void.
21 The Substitution of Trustee is appended hercin as Exhibit "4" and the Trustee's Deed is
22 appended hercin as Exhibit "5".

23 113. Plaintiffs further allege that the assignment of the Deed of Trust is a nullity
24 as MERS, who was the purported *nominee* and *beneficiary* in the Deed of Trust, in reality
25 had no legal title nor an interest in the Deed of Trust. MERS was not a real beneficiary
26 and did not possess any rights a lender and did not have legal title to the property. MERS
27 had no standing to assign the Promissory Note nor the Deed of Trust. Thus, any
28 assignment of the Deed of Trust buy MERS is a nullity, which makes the Trustee's Deed

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1 of Sale also a nullity..

2 114. MERS, being merely a shell corporation, with no true directors, officers or
3 shareholders, had no authority substitute OLD DEFAULT as the Trustee and OLD
4 DEFAULT has not legal authority to conduct the foreclosure sale and to issue a valid
5 Trustee's Deed to LAKE TWO.. MERS had no legal interest in the property nor in its title.

6 115. Plaintiffs allege on information and belief that the designation of MERS as
7 beneficiary was a ploy by SBCM itself to circumvent state laws and other legal
8 requirements dealing with mortgage loans. By designating certain members employees of
9 SBCM to be MERS corporate officers, MERS created a situation whereby the foreclosing
10 agency and MERS "designated officers" have a conflict of interest.

11 116. On information and belief, Plaintiffs allege that since MERS nor the
12 servicer have a beneficial interest in the promissory note, nor they receive the income from
13 the payments m and since it is actually an employee of the servicer signing the Substitution
14 or Trustee or assignment of the Note, the Substitution or assignment in the name of MERS
15 is illegal.

16 117. Plaintiffs allege that as a result of the above stated facts, OLD DEFAULT
17 had no standing to conduct the sale and defendant LAKE TWO, who purchased the
18 property for \$406,000.00, is not a bona fide purchaser for value. Plaintiffs further allege
19 that all of the irregularities in the conduct of the sale as described above, are not dehor to
20 the foreclosure sale and invalidate the sale.

21 118. Plaintiffs allege, as set forth above, that the Substitution of Trustee and the
22 Trustee's Deed are fraught with errors, misrepresentations and falsehoods that are not
23 dehor to the foreclosure sale, making the whole foreclosure sale proceedings null and void.

24 119. Based on information and belief, plaintiff alleges that in reality, the statutory
25 notice requirements and procedures by law for the conduct of the sale were not satisfied,
26 thus arising a refutable presumption that the sale was conducted regularly and properly;
27 pursuant to *Civ. Code*, § 2924. All of the aforementioned acts were done in violation of

28 120. As a direct and proximate result of the aforementioned acts, plaintiffs has

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1 been damaged in an amount according to proof at the time of trial, but a least \$250,000.00,
2 consequential damages, interest and attorney's fees..

3
4 XVII

5 **FOURTEENTH CAUSE OF ACTION**

6 **Constructive Fraud**

7 (Against all Defendants)

8 121. Plaintiffs re-allege paragraphs 1 to 129 as if fully set forth herein.

9 122.. Civil Code article 1571 defines constructive fraud as follows:: [P] 1. In any
10 breach of duty which, without an actually fraudulent intent, gains an advantage to the
11 person in fault, or any one claiming under him, by misleading another to his prejudice, or
12 to the prejudice of any one claiming under him; or, [P] 2. In any such act or omission as
13 the law specially declares to be fraudulent, without respect to actual fraud."

14 123. Defendants and each of them represented to Plaintiffs and made them
15 believe that the loan was going to be modified. Based on such representations, plaintiff
16 stop making payments on the property and forego other options that could have been
17 available to her, to save their property.

18 124. Defendants and each of them then advised plaintiffs, after four months of
19 loan modification negotiations, that the modification they would agree to was for Plaintiffs
20 to pay all arrears and continue making payments under the same terms and conditions of
21 the existing loan.

22 125. Since this species of fraud does not depend on the existence of an actual
23 fraudulent intent, it can be shown by breach of a fiduciary duty. Defendants herein had
24 a legal or equitable duty and obligation to treat plaintiffs fairly and be truthful to them.
25 Defendants breached their fiduciary duty by their actions as set forth above, which
26 precipitated the foreclosure on the property.

27 126. As a direct and proximate result of the aforementioned acts, Plaintiff has
28 been damaged in an amount according to proof at the time of trial, but a least \$250,000.00,

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1 consequential damages, interest and attorney's fees..

2 XVII

3 **FOURTEENTH CAUSE OF ACTION**

4 **Constructive Fraud**

5 (Against all Defendants)

6 127. Plaintiffs re-allege paragraphs 1 to 126 as if fully set forth herein.

7 128. Civil Code article 1571 defines constructive fraud as follows: [P] 1. In any
8 breach of duty which, without an actually fraudulent intent, gains an advantage to the
9 person in fault, or any one claiming under him, by misleading another to his prejudice, or
10 to the prejudice of any one claiming under him; or, [P] 2. In any such act or omission as
11 the law specially declares to be fraudulent, without respect to actual fraud."

12 129. Defendants and each of them represented to Plaintiff and made her believe
13 that the loan was going to be modified. Based on such representations, plaintiff stop
14 making payments on the property and forego other options that could have been available
15 to her, to save her property.

16 130 Defendants and each of them then advised plaintiff, after four months of
17 loan modification negotiations, that the modification they would agree to was for Plaintiff
18 to pay all arrears and continue making payments under the same terms and conditions of
19 the existing loan.

20 131. Since this species of fraud does not depend on the existence of an actual
21 fraudulent intent, it can be shown by breach of a fiduciary duty. Defendants herein had
22 a legal or equitable duty and obligation to treat plaintiffs fairly and be truthful to them.
23 Defendants breached their fiduciary duty by their actions as set forth above, which
24 precipitated the foreclosure on the property.

25 132. As a direct and proximate result of the aforementioned acts, Plaintiff has
26 been damaged in an amount according to proof at the time of trial, but a least \$250,000.00,
27 consequential damages, interest and attorney's fees..

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XX

FIFTEENTH CAUSE OF ACTION**Rescission**

(Against all Defendants)

133. Plaintiffs re-allege paragraphs 1 to 136 as if fully set forth herein.

134. Plaintiffs allege that the transaction they entered into with defendants is regulate by the Truth In Lending Act (TILA). TILA requires that specific disclosures be provided to borrowers of qualifying consumer credit transactions that are secured by the borrowers' residence. Section 1615 of Title 15 of the United States Code, mandates that lenders clearly and conspicuously disclose to borrowers that borrowers have a right to rescind the transaction until midnight of the third business day following consummation of the transaction.(15 U.S.C. section 1635(a)3; 12C.F.R. section 225.23(b) HOEPA further directs lenders to disclose: that borrowers are not required to complete the loan agreement merely because they have received disclosures or signed the loan application; that they could lose their home if they do not meet their loan obligations; and the percentage rate, the amount of monthly payments, and in the case of adjustable rate loans, that the interest rate and payment could increase. (15U.S.C. section 1639(a)(1)&1629(a)(1) Such disclosures must be made "not less than 3 business days prior to consummation of the transaction."

135. Plaintiffs allege that the notice of their right cancellation under TILA was deficient as she did not given a copy of the notice of cancellation after signing the notice and loan documents. Plaintiffs did not know of their right to cancel nor the deadlines impose by the statute to exercise their right to rescind the contract.

136. The remedies under TILA includes civil liability and damages as well as costs and attorney fees. Also, defendants are subject to liability for all payments made by Plaintiffs, the sum of all finance charges and fees paid by Plaintiffs.

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SIXTEENTH CAUSE OF ACTIONDeclaratory Relief

(Against all Defendants)

137. Plaintiffs re-allege and incorporates by reference all preceding paragraphs as though fully set forth herein.

138. An actual controversy has arisen and now exists between Plaintiff and Defendants regarding their respective rights and duties, in that Plaintiff contends that Defendants did not have the right to foreclose on the Subject Property because Defendant's security interest in the Subject Property has been rendered void by operation of law, pursuant to 24 Code of Federal Regulations 3500.10, the California Civil Code, the Equal Opportunity Credit Act, the Federal Trade Commission Act, California Business and Professions Code, UDAP, TILA, and RESPA. Thus the purported power of sale by Defendants no longer applies. Plaintiff further contends that Defendants do not have the power to foreclose on the Subject Property because Defendants did not properly comply with proper delivery procedures under RESPA. Plaintiff further contends that the Defendants perpetrated a fraudulent loan transaction.

139. Plaintiffs request that this Court find the purported power of sale contained in the Loan of no force and effect at this time, because Defendants actions in the processing, handling, and attempted foreclosure of this loan has contained numerous violations of State and Federal laws designed to protect borrowers, which has directly caused Plaintiff to be at an equitable disadvantage to Defendants. Plaintiff further requests that title to the Subject Property be reinstated to Plaintiff's name, with said Deed of Trust remaining in beneficiaries' name, during the pendency of this litigation.

140. As a result of the Defendant's actions, Plaintiff has suffered damages according to proof, and seeks declaratory relief that Defendant's purported power of sale is void and has no force or effect against the Subject Property

141. Further, Defendant's actions have been willful, knowing and malicious.

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1
2 THEREFORE, PLAINTIFFS PRAY AS FOLLOWS:

3 **On All Causes of Action**

- 4 1. For attorney fees to the extent allowed by law;
5 2. For costs of this litigation to the extent allowed by law;
6 3. For pre-judgment interest as allowed by law;
7 4. For such other relief as the Court may find just and appropriate.

8 **First Cause of Action**

- 9 5. For compensatory damages,
10 6. For punitive and exemplary damages in an amount sufficient to punish and
11 deter future misconduct.

12 **Second Cause of Action**

- 13 7. For compensatory damages,
14 8. For punitive and exemplary damages in an amount sufficient to punish and
15 deter future misconduct.;

16 **Third Cause of Action**

- 17 9. For compensatory damages,
18 10. For punitive and exemplary damages in an amount sufficient to punish and
19 deter future misconduct.;

20 **Fourth Cause of Action**

- 21 11. For compensatory damages,
22 12. For punitive and exemplary damages in an amount sufficient to punish and
23 deter future misconduct.;

24 **Fifth Cause of Action**

- 25 13. For compensatory damages,
26 14. For punitive and exemplary damages in an amount sufficient to punish and
27 deter future misconduct.;

28 **Sixth Cause of Action**

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EDWARD LOPEZ

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1 15. For restitution and declaratory relief declaring that defendants have violated
2 the provisions of California Business and Professions Code section 17200, and any other
3 applicable statutory provisions,.

4 **Seventh Cause of Action**

5 16. For compensatory damages,

6 17. For punitive and exemplary damages in an amount sufficient to punish and
7 deter future misconduct.;

8 **Eighth Cause of Action**

9 18. For compensatory damages,

10 19. For punitive and exemplary damages in an amount sufficient to punish and
11 deter future misconduct.

12 **Ninth Cause of Action**

13 20. For compensatory damages to be proven at time of trial.

14 21. For punitive and exemplary damages in an amount sufficient to punish and
15 deter future misconduct.

16 **Tenth Cause of Action**

17 22. For compensatory damages,

18 23. For punitive and exemplary damages in an amount sufficient to punish and
19 deter future misconduct.

20 **Eleventh Cause of Action**

21 24. For compensatory damages,

22 25. For punitive and exemplary damages in an amount sufficient to punish and
23 deter future misconduct.

24 **Twelfth Cause of Action**

25 26. For compensatory damages to be proven at the time of trial,.

26 For punitive and exemplary damages in an amount sufficient to punish and
27 deter future misconduct.

28 **Thirteenth Cause of Action**

First Amended Complaint

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- 1 27. Nullification of the Trustee's Deed of Sale,
2 28. For compensatory damages,
3 29. For punitive and exemplary damages in an amount sufficient to punish and
4 deter future misconduct.

5 **Fourteenth Cause of Action**

- 6 30. For a constructive trust;
7 31. For compensatory damages,
8 32. For punitive and exemplary damages in an amount sufficient to punish and
9 deter future misconduct.

10 **Fifteenth Cause of Action**

- 11 33. For rescission of the re-financing loan.
12 34. For costs, attorney fees, finance charges and fees paid by Plaintiff,
13 35. For return of payments made by Plaintiff on the loan.

14 **Sixteenth Cause of Action**

- 15 36. For Declaratory Relief as prayed for.
16 37. For Attorney Fees

17 DATED: October 24, 2009

18 Respectfully submitted,

19 LAS OFFICE OF EDWARD LOPEZ, APC

20 By: 

21 EDWARD LOPEZ

22 Attorney for Plaintiffs

23 JOSEPH BAZO, VENERA BAZO

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EXHIBIT "1"

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MULTISTATE INITIAL INTERESTSM ADJUSTABLE RATE NOTE

(1-Year LIBOR Index—Rate Caps)

(Assumable after Initial Period) (45 Day Lookback)

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. THIS NOTE LIMITS THE AMOUNT MY INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.

July 19, 2007
[Date]

TORRANCE
[City]
25968 ESHELMAN AVENUE
LOMITA, CA 90717

California
[State]

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$503,200.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is SBMC MORTGAGE, A GENERAL PARTNERSHIP

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 6.7500%. The interest rate I will pay will change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS**(A) Time and Place of Payments**

I will make a payment every month on the first day of the month beginning on September 01, 2007. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and if the payment consists of both principal and interest, it will be applied to interest before Principal. If, on August 01, 2037, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 14761 CALIFA STREET, VAN NUYS, CA 91411

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Before the first fully amortizing principal and interest payment due date stated in subsection (C) below (the "First P&I Payment Due Date"), my monthly payments will be only for the interest due on the unpaid principal of this Note.

Each of my initial monthly payments will be in the amount of U.S. \$2,830.50. This amount may change in accordance with subsection (C) below.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT

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...paying a Prepayment charge. The Note Holder will use Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payment unless the Note Holder agrees in writing to the changes.

If I make a partial Prepayment during the period ending with the due date of my last interest only monthly payment, my partial Prepayment will reduce the amount of my monthly payment. If I make a partial Prepayment after the last interest only monthly payment, my partial Prepayment may reduce the amount of my monthly payments beginning with the monthly payment due after the Interest Change Date following the partial Prepayment. After the first Interest Change Date, any reduction due to my partial Prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.0000% of my overdue payment of interest during the period when my payment is interest only, and of principal and interest after that. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

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also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

(A) UNTIL MY INITIAL INTEREST RATE CHANGES UNDER THE TERMS STATED IN SECTION 4 ABOVE, UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT IS DESCRIBED AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(B) AFTER MY INITIAL INTEREST RATE CHANGES UNDER THE TERMS STATED IN SECTION 4 ABOVE, UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT DESCRIBED IN SECTION 11(A) ABOVE SHALL THEN CEASE TO BE IN EFFECT, AND UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT SHALL INSTEAD BE DESCRIBED AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

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The First P&I Payment Due Date is the first day of September 1, 2017.

Prior to the First P&I Payment Due Date, my monthly payment may change to reflect changes in the interest rate I must pay in accordance with Section 4 of this Note or to reflect changes in the unpaid principal of my loan in accordance with Section 5 of this Note. Beginning with the First P&I Payment Due Date my monthly payment will change to an amount sufficient to repay the principal and interest at the rate described in Section 4 of this Note.

Before the effective date of any change in my monthly payment, the Note Holder will deliver or mail to me a notice of the change in accordance with Section 8 of this Note. The notice will include the title and telephone number of a person who will answer any question I may have regarding the notice.

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Interest Change Dates

The interest rate I will pay may change on the first day of August 2012, and may change on that day every 12th month thereafter. Each date on which my interest rate could change is called an "Interest Change Date."

(B) The Index

Beginning with the first Interest Change Date, my interest rate will be based on an Index. The "Index" is the one-year London Interbank Offered Rate ("LIBOR") which is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market, as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before each Interest Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding Two and One Quarter percentage point(s) (2.2500%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Interest Change Date.

The Note Holder will then determine the amount of my monthly payment. For payment adjustments occurring before the First P&I Payment Due Date, my monthly payment will be the amount sufficient to repay all accrued interest each month on the unpaid principal balance at the new interest rate. For payment adjustments occurring on or after the First P&I Payment Due Date, my monthly payment will be an amount sufficient to repay the unpaid principal that I am expected to owe at the Interest Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Interest Change Date will not be greater than 11.7500% or less than 2.2500%. Thereafter, my interest rate will never be increased or decreased on any single Interest Change Date by more than Two percentage point(s) (2.0000%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 11.7500%.

(E) Effective Date of Changes

My new interest rate will become effective on each Interest Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Interest Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

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to the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Borrower has executed and acknowledges receipt of pages 1 through 5 of this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.


JOE BAZO

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

MULTISTATE INITIAL INTEREST ADJUSTABLE RATE NOTE—1-Year LIBOR Index (Assumable after Initial Period) (45 Day Lookback)—
Single Family—Freddie Mac UNIFORM INSTRUMENT Form 5537 5/04 (rev. 7/05)

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Exhibit 2

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AND WHEN RECORDED MAIL TO
SBMC MORTGAGE
14761 CALIFA STREET
VAN NUYS, CA 91411-3107

07/27/07
20071777124

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7553-03-057 DEED OF TRUST

MIN:

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated July 19, 2007, together with all Riders to this document.

(B) "Borrower" is JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE AS JOINT TENANTS

Borrower is the trustor under this Security Instrument.

(C) "Lender" is SBMC MORTGAGE
Lender is a A GENERAL PARTNERSHIP organized and existing under
the laws of CALIFORNIA Lender's address is
14761 CALIFA STREET, VAN NUYS, California 91411

(D) "Trustee" is T.D. SERVICE CO., A CALIFORNIA CORPORATION

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(F) "Note" means the promissory note signed by Borrower and dated July 19, 2007. The Note states that Borrower owes Lender Five Hundred Thes Thousand Two Hundred and no/100 Dollars (U.S. \$ 503,200.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than August 01, 2037.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

CALIFORNIA—Single Family—Fannie Mac/Freddie Mac UNIFORM INSTRUMENT

FORM 926.1 (001) —MERS

(Page 1 of 12 pages)

Form 926.1 (01)

GREATLAND B

To Order Call 1-800-550-1222 Fax 916-791-1121

MFCAS114

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AND WHEN RECORDED MAIL TO

Old Republic
 Default Management Services
 P.O. Box 250
 Orange, CA 92856-6250

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Trustee Sale No. 08-11404 Title Order No.

APN 7553-013-057

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 07/19/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 02/13/2009 at 11:30AM, Old Republic Default Management Services, a Division of Old Republic National Title Insurance Company as duly appointed Trustee pursuant to the Deed of Trust, Recorded on 07/27/07 AS INSTRUMENT NO 20071777124 of official records in the Office of the County Recorder of Los Angeles County, California, executed by: JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE, AS JOINT TENANTS, as Trustor, MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE, as Beneficiary, **WILL SELL AT PUBLIC AUCTION TO THE HIGHEST BIDDER FOR CASH** (payable in full at time of sale by cash, a cashier's check drawn by a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state). At At the front entrance to the Pomona Superior Courts Building, 350 West Mission Blvd., Pomona, CA, all right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County and state, and as more fully described in the above referenced Deed of Trust.


The street address and other common designation, if any, of the real property described above is purported to be: 25968 ESHELMAN AVENUE, LOMITA, CA, 90717.

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. Said sale will be made in an "AS IS" condition, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by said Deed of Trust, with interest thereon, as provided in said note(s), advances, if any, under the terms of the Deed of Trust, estimated fees, charges and expenses of the Trustee and of the trusts created by said Deed of Trust, to-wit: \$542,904.83 (Estimated). Accrued interest and additional advances, if any, will increase this figure prior to sale. It is possible that at the time of sale the opening bid may be less than the total indebtedness due.

The Declaration pursuant to California Civil Code, Section 2923.5(b) is attached hereto as Exhibit A.

DATE: 1/20/09

Old Republic Default Management Services, A Division of Old Republic National
 Title Insurance Company, as Trustee
 80 City Parkway West, Suite 200, Orange, CA 92868-2913
 (661) 263-5802
 or Sale Information Contact: Priority Posting and Publishing (714) 573-1965


 Wayne Lambert, Assistant Vice President

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EXHIBIT A TO NOTICE OF TRUSTEE SALE

Trustee Sale No. 08-11404 Loan No.

APN7553-013-057

DECLARATION OF LENDER, TRUSTEE OR AUTHORIZED
AGENT UNDER CALIFORNIA CIVIL CODE SECTION 2923.5(c)

The undersigned is the lender, beneficiary, or its authorized agent under the Deed of Trust or Mortgage that is the subject of the Notice of Sale to which this Declaration is attached and made a part.

In compliance with the requirements of California Civil Code section 2923.5(c), the undersigned does hereby declare as follows: *(strike out or delete the option that is not applicable)*

1. The borrower under said Deed of Trust or Mortgage has been contacted in order to assess the borrower's financial situation and to explore options for the borrower to avoid foreclosure. Or, *3/17/08 Spk with cust. W3 placed on RPP*

2. No contact has been made with the borrower. The following list enumerates the efforts that were made in order to make such contact with the borrower:

(continue on attachment, if more space is needed).

Date: 11/04/08By: Lonna Cross

(name of person signing and their corporate title)

Lonna Cross

Senior Manager

11/04/2009 08:04 8189016098

EDWARD LOPEZ

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EXHIBIT "4"

EDWARD LOPEZ

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RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

REDACTED

Old Republic
 Default Management Services
 P.O. Box 250
 Orange, CA 92856-6250

Trustee Sale No. 08-11404 Loan No.

Title Order No.

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SUBSTITUTION OF TRUSTEE

WHEREAS, JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE, AS JOINT TENANTS, was the original Trustor, T.D. SERVICE CO., A CALIFORNIA CORPORATION, was the original Trustee, and MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE, was the original Beneficiary under that certain Deed of Trust dated 07/19/2007, Recorded on 07/27/07 AS INSTRUMENT NO 20071777124 of official records in the office of the Recorder of Los Angeles County, California, and

WHEREAS, MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE, the undersigned, is the present Beneficiary under said Deed of Trust, and,

WHEREAS, the undersigned desires to substitute a new Trustee under said Deed of Trust in the place of and instead of said original Trustee thereunder,

now, THEREFORE, the undersigned Beneficiary hereby substitutes Old Republic Default Management Services, a Division of Old Republic National Title Insurance Company, Trustee of Said Deed of Trust.

Whenever the context hereof so requires, the masculine gender includes the feminine and/or neuter, and the singular number indicates the plural.

DATE: 8-22-08

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE FOR SAXON MORTGAGE SERVICES

Alfonso Greene

DATE OF: MN

COUNTY OF: Dakota

Matthew Allan Banaszewski

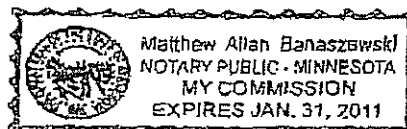
8-22-08 before me, _____, a Notary Public in and for said county.

Personally appeared Alfonso Greene
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their name(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I, under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

I declare my hand and official seal.

 Public in and for said County and State



AFFIDAVIT

TS NO : 08-11404

Loan NO:

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Glenn Millan declare that I am over the age of eighteen years; an officer, agent or employee of Old Republic Default Management Services, whose business address is:

500 City Parkway West, Suite 200
Orange, Ca 92868

On 01-23-2009 Certified and First Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Mail, a copy of the attached Substitution of Trustee to the trustee of record under the Deed of Trust described in said Substitution, and;

A copy of the attached Substitution has been mailed prior to the recording thereof, in the manner provided in Section 2924 (b) of the Civil Code of the State of California to all persons to whom a copy of the Notice of Default would be required to be mailed by the provisions of said section.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 01-23-2009



BY: Glenn Millan, Trustee Assistant

Exhibit "5"

WHEN RECORDED MAIL

REDACTED

Lake Two, LLC
PO BOX 1085
Burbank, Ca, 91507

MAIL TAX STATEMENTS TO

Lake Two, LLC
PO BOX 1085
Burbank, Ca, 91507



Trustee Sale No. 08-11404 Loan No.

Title Order No.

Space above this line for recorder's use only

TRUSTEE'S DEED UPON SALE

TRANSFER TAX
NOT A PUBLIC RECORD

APN 7553-013-057 T.R.A. No. 018-200-07-000

The undersigned grantor declares:

- 1) The Grantee herein ~~was~~ is the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was
- 3) The amount paid by the grantee at the trustee sale was
- 4) The documentary transfer tax is \$
- 5) Said property is in Lomita

and Old Republic Default Management Services, a Division of Old Republic National Title Insurance Company (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Lake Two, LLC (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of Los Angeles, State of California, described as follows: A CONDOMINIUM COMPRISED OF:

PARCEL 1:

AN UNDIVIDED 1/8th INTEREST IN AND TO LOT 2 OF TRACT NO. 48861, IN THE CITY OF LOMITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1231, PAGES 87 AND 88, OF MAPS.

EXCEPT THEREFROM CONDOMINIUM UNITS 1 TO 6, INCLUSIVE, AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED NOVEMBER 6, 1998, AS INSTRUMENT NO. 88-2040348, OF OFFICIAL RECORDS.

PARCEL 2:

UNIT 8, AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 1 ABOVE.

PARCEL 3:

AN EXCLUSIVE USE, COMMON AREA FOR PARKING PURPOSES ONLY, TO BE APPURTENANT TO PARCELS 1 AND 2, ABOVE, IN, OVER, ACROSS AND THROUGH THAT PORTION OF THE COMMON AREA CONSISTING OF 8P AS SHOWN AND DEFINED ON SAID CONDOMINIUM PLAN.

COMMONLY KNOWN AS: 25968 ESHELMAN AVENUE, LOMITA, CA 90717

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 07/19/2007 and executed by JOE BAZO AND VERENA BAZO, HUSBAND AND WIFE, AS JOINT TENANTS, as Trustor, and Recorded on 07/27/07 AS INSTRUMENT NO 20071777124 of official records of Los Angeles County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

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Trustee Sale No. 08-11404

Loan No.

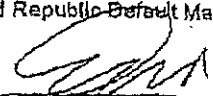
Title Order No.

REDACTED

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 09/20/2009. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$406,000.00 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 8/24/09

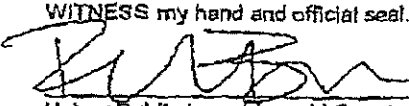
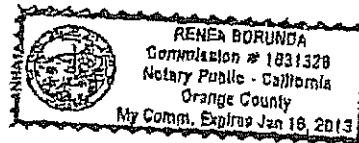
Old Republic Default Management Services, A Division of Old Republic National Title Insurance Company


Esther Valenzuela, VP Foreclosure Trustee ServicesSTATE OF California
COUNTY OF Orange

On 8/24/09 before me, René Borunda, a Notary Public in and for said county, personally appeared Esther Valenzuela, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public in and for said County and State

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EDWARD LOPEZ

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SHORT TITLE:

Joseph Bazo v. Saxon Mortgage

CASE NUMBER

2060827

**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to LASC Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☒ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL ☐ HOURS/ ☒ DAYS

Item II. Select the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column B below which best describes the nature of this case.

Step 3: In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Los Angeles Superior Court Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

- | | |
|---|--|
| 1. Class Actions must be filed in the County Courthouse, Central District. | 8. Location of property or permanently garaged vehicle. |
| 2. May be filed in Central (Other county, or no Bodily Injury/Property Damage). | 7. Location where petitioner resides. |
| 3. Location where cause of action arose. | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred. | 9. Location where one or more of the parties reside. |
| 5. Location where performance required or defendant resides. | 10. Location of Labor Commissioner Office. |

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (48)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 2., 4. 1., 2., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall) <input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.) <input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 2., 4. 1., 2., 4. 1., 2., 3. 1., 2., 4.
	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 2., 3.
Non-Personal Injury/Property Damage/Wrongful Death Tort	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input checked="" type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.

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Non-Personal Injury/Property Damage/
Wrongful Death Tort (Cont'd.)

Employment

Contract

Real Property

Judicial Review Unlawful Detainer

SHORT TITLE: Joseph Bazo v. Saxon Mortgage		CASE NUMBER 9060827
A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 3 Above)
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (38)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not Unlawful Detainer or wrongful eviction) <input checked="" type="checkbox"/> A6008 Contract/Warranty Breach - Seller Plaintiff (no fraud/negligence) <input checked="" type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6032 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute (not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input checked="" type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6080 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer- Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.
Asset Forfeiture (08)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.

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SHORT TITLE:
Joseph Bazo v. Saxon Mortgage

CASE NUMBER

YC060827

Judicial Review (Cont'd.)

Provisionally Complex Litigation

Enforcement of Judgment

Miscellaneous Civil Complaints

Miscellaneous Civil Petitions

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2, 6. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership Corporation Governance(21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

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SHORT TITLE Joseph Bazo v. Saxon Mortgage	CASE NUMBER 7C060827
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Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: CHECK THE NUMBER UNDER COLUMN C WHICH APPLIES IN THIS CASE <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.		ADDRESS: 25968 Bshelman Avenue	
CITY: Lomita	STATE: CA	ZIP CODE: 91717	

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Torrance courthouse in the Southwest District of the Los Angeles Superior Court (Code Civ. Proc., § 392 et seq., and LASC Local Rule 2.0, subds. (b), (c) and (d)).

Dated: October 2, 2009


(SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet form CM-010.
4. Complete Addendum to Civil Case Cover Sheet form LACIV 109 (Rev. 01/07), LASC Approved 03-04.
5. Payment in full of the filing fee, unless fees have been waived.
6. Signed order appointing the Guardian ad Litem, JC form FL-935, if the plaintiff or petitioner is a minor under 18 years of age, or if required by Court.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

EDWARD LOPEZ

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CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): EDWARD LOPEZ, State Bar 044558 LAW OFFICE OF EDWARD LOPEZ, APC 14640 Victory Boulevard, Suite 215 Van Nuys, California 91411 TELEPHONE NO.: (818) 901-6598 FAX NO.: (818) 901-6098 ATTORNEY FOR (Name): Plaintiffs Joseph Bazo, Verena Bazo		FOR COURT USE ONLY CASE NUMBER: YC060827 JUDGE: DEPT.:
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 825 Maple Street MAILING ADDRESS: 825 Maple Street CITY AND ZIP CODE: Torrance, CA 90503 BRANCH NAME: Southwest District, Torrance Courthouse		
CASE NAME:		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less) Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)		

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:		
Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PIPD/MD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PIPD/MD (23) Non-PIPD/MD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PIPD/MD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input checked="" type="checkbox"/> Other real property (25) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input checked="" type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify):
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date:

October 2, 2009

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

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EDWARD LOPEZ

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CM-010

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort	Contract	Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403)
Auto (22)—Personal Injury/Property Damage/Wrongful Death	Breach of Contract/Warranty (06)	Antitrust/Trade Regulation (03)
Uninsured Motorist (48) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)	Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	Construction Defect (10)
	Contract/Warranty Breach—Seller Plaintiff (not fraud or negligence)	Claims Involving Mass Tort (40)
	Negligent Breach of Contract/Warranty	Securities Litigation (28)
Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort	Other Breach of Contract/Warranty	Environmental/Toxic Tort (30)
Asbestos (04)	Collections (e.g., money owed, open book accounts) (09)	Insurance Coverage Claims (arising from provisionally complex case type listed above) (41)
Asbestos Property Damage	Collection Case—Seller Plaintiff	Enforcement of Judgment
Asbestos Personal Injury/Wrongful Death	Other Promissory Note/Collections Case	Enforcement of Judgment (20)
Product Liability (not asbestos or toxic/environmental) (24)	Insurance Coverage (not provisionally complex) (18)	Abstract of Judgment (Out of County)
Medical Malpractice (45)	Auto Subrogation	Confession of Judgment (non-domestic relations)
Medical Malpractice—Physicians & Surgeons	Other Coverage	Sister State Judgment
Other Professional Health Care Malpractice	Other Contract (37)	Administrative Agency Award (not unpaid taxes)
Other PI/PD/WD (23)	Contractual Fraud	Petition/Certification of Entry of Judgment on Unpaid Taxes
Premises Liability (e.g., slip and fall)	Other Contract Dispute	Other Enforcement of Judgment Case
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)	Real Property	Miscellaneous Civil Complaint
Intentional infliction of Emotional Distress	Eminent Domain/Inverse Condemnation (14)	RICO (27)
Negligent infliction of Emotional Distress	Wrongful Eviction (33)	Other Complaint (not specified above) (42)
Other PI/PD/WD	Other Real Property (e.g., quiet title) (26)	Declaratory Relief Only
Non-PI/PD/WD (Other) Tort	Writ of Possession of Real Property	Injunctive Relief Only (non-harassment)
Business Tort/Unfair Business Practice (07)	Mortgage Foreclosure	Mechanics Lien
Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)	Quiet Title	Other Commercial Complaint Case (non-tort/non-complex)
Defamation (e.g., slander, libel) (13)	Other Real Property (not eminent domain, landlord/tenant, or foreclosure)	Other Civil Complaint (non-tort/non-complex)
Fraud (16)	Unlawful Detainer	Miscellaneous Civil Petition
Intellectual Property (19)	Commercial (31)	Partnership and Corporate Governance (21)
Professional Negligence (25)	Residential (32)	Other Petition (not specified above) (43)
Legal Malpractice	Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)	Civil Harassment
Other Professional Malpractice (not medical or legal)	Judicial Review	Workplace Violence
Other Non-PI/PD/WD Tort (35)	Asset Forfeiture (05)	Elder/Dependent Adult Abuse
Employment	Petition Re: Arbitration Award (11)	Election Contest
Wrongful Termination (36)	Writ of Mandate (02)	Petition for Name Change
Other Employment (15)	Writ—Administrative Mandamus	Petition for Relief From Late Claim
	Writ—Mandamus on Limited Court Case Matter	Other Civil Petition
	Writ—Other Limited Court Case Review	
	Other Judicial Review (38)	
	Review of Health Officer Order	
	Notice of Appeal—Labor Commissioner Appeals	

EXHIBIT C

KRALIK & JACOBS LLP

LOIS MOONITZ JACOBS, NO. 106537

e-mail: lois.jacobs@kralikjacobs.com

35 North Lake Avenue, Suite 620

Pasadena, California 91101

Telephone: (626) 844-3505

Facsimile: (626) 844-7643

Attorneys for Defendant

Secured Bankers Mortgage Company, dba

SBMC Mortgage

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSEPH BAZO, a.k.a., JOE BAZO,
VERENA BAZO,

Plaintiffs,

vs.

SAXON MORTGAGE SERVICES, INC.;
SBMC MORTGAGE; MORTGAGE
ELECTRONIC REGISTRATION SYSTEM,
INC.; T.D. SERVICE CO.; OLD REPUBLIC
DEFAULT MANAGEMENT SERVICES, A
DIVISION OF OLD REPUBLIC NATIONAL
TITLE INSURANCE COMPANY' LAKE
TWO, LLC; DOES 1 Through 50, Inclusive,

Defendants.

Case No. YC060827

**NOTICE TO SUPERIOR COURT OF THE
STATE OF CALIFORNIA AND
PLAINTIFFS JOSEPH BAZO, a.k.a. JOE
BAZO AND VERENA BAZO OF
REMOVAL OF ACTION TO FEDERAL
COURT**

Complaint Filed: Oct. 15, 2009
Trial Date: None set

1 **TO THE CLERK OF THE ABOVE-ENTITLED COURT AND TO PLAINTIFFS**
2 **JOSEPH BAZO AND VERENA BAZO AND THEIR ATTORNEY OF RECORD:**

3 **PLEASE TAKE NOTICE** that on November 19, 2009, defendant Secured Bankers
4 Mortgage Company, also named herein and doing business as "SBMC Mortgage," filed in the
5 United States District Court for the Central District of California a Notice of Removal of this
6 action to the United States District Court. A copy of the Notice of Removal is attached hereto as
7 Exhibit A and is served and filed herewith.

8 **PLEASE TAKE FURTHER NOTICE** that pursuant to 28 U.S.C. § 1446(d), the filing
9 of the Notice of Removal in the United States District Court, together with the filing of a copy of
10 the Notice of Removal with the Superior Court, affects the removal of this action and the
11 Superior Court may proceed no further unless and until the case is remanded.

12
13 Dated: November 19, 2009

KRALIK & JACOBS LLP
Lois Moonitz Jacobs

14
15
16 By:



Lois Moonitz Jacobs
Attorneys for Defendant
Secured Bankers Mortgage Company, dba
SBMC Mortgage

Proof of Service

The undersigned declares:

I am above the age of eighteen years, and not a party to this action or proceeding. I am employed in the office of a member of the bar of this court, at whose direction this service is made. My business address is 35 North Lake Avenue, Suite 620, Pasadena, CA 91101. On November 19, 2009, I served the foregoing **NOTICE OF REMOVAL OF ACTION BY DEFENDANT SECURED BANKERS MORTGAGE COMPANY UNDER 28 U.S.C. §1441** on the defendants and other interested parties in this action by placing a true and correct copy thereof in a sealed envelope, with postage thereon fully prepaid, in the United States Mail at Pasadena, California addressed as follows:

Edward Lopez
LAW OFFICE OF EDWARD LOPEZ, APC
14640 Victory Blvd, Ste 215
Van Nuys, Ca 91411

Richard S. Stone
LAW OFFICE OF RICHARD STONE
1900 S Norfolk St Ste 350
San Mateo, CA 94403

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 19th day of November, 2009, in Los Angeles County, California.



Casey Kim

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Margaret M. Morrow and the assigned discovery Magistrate Judge is Fernando M. Olguin.

The case number on all documents filed with the Court should read as follows:

CV09 - 8515 MMM (FMOx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) JOSEPH BAZO, a.k.a., JOE BAZO, VERENA BAZO	DEFENDANTS SAXON MORTGAGE SERVICES, INC.; SBMC MORTGAGE; MORTGAGE ELECTRONIC REGISTRATION SYSTEM, INC.; T.D. SERVICE CO.; OLD REPUBLIC DEFAULT MANAGEMENT SERVICES, A DIVISION OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY LAKE TWO, LLC; DOES 1 THROUGH 50, Inclusive,
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Law Office of Edward Lopez, APC Tel. (818) 901-6598 Edward Lopez 14640 Victory Blvd., Suite 215, Van Nuys, CA 91411	Attorneys (If Known) KRALIK & JACOBS LLP Attorney for SBMC Mortgage Lois Moonitz Jacobs Tel. (626) 844-3505 35 North Lake Avenue, Suite 620 Fax (626) 844-7643 Pasadena, CA 91101

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width: 100%;"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.) <input type="checkbox"/> 1 Original Proceeding <input checked="" type="checkbox"/> 2 Removed from State Court <input type="checkbox"/> 3 Remanded from Appellate Court <input type="checkbox"/> 4 Reinstated or Reopened <input type="checkbox"/> 5 Transferred from another district (specify): <input type="checkbox"/> 6 Multi-District Litigation <input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judge
--

V. REQUESTED IN COMPLAINT: JURY DEMAND: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Check 'Yes' only if demanded in complaint.) CLASS ACTION under F.R.C.P. 23: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No MONEY DEMANDED IN COMPLAINT: \$ _____
--

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

VII. NATURE OF SUIT (Place an X in one box only.)					
OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE / PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety /Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) (405(g)) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

CV09-8515

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.



**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date November 19, 2009

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HBA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

Proof of Service

The undersigned declares:

I am above the age of eighteen years, and not a party to this action or proceeding. I am employed in the office of a member of the bar of this court, at whose direction this service is made. My business address is 35 North Lake Avenue, Suite 620, Pasadena, CA 91101. On November 19, 2009, I served the foregoing **CIVIL COVER SHEET** on the defendants and other interested parties in this action by placing a true and correct copy thereof in a sealed envelope, with postage thereon fully prepaid, in the United States Mail at Pasadena, California addressed as follows:

Edward Lopez
LAW OFFICE OF EDWARD LOPEZ, APC
14640 Victory Blvd, Ste 215
Van Nuys, Ca 91411

Richard S. Stone
LAW OFFICE OF RICHARD STONE
1900 S Norfolk St Ste 350
San Mateo, CA 94403

I declare under penalty of perjury that the foregoing is true and correct.
Executed this 19th day of November, 2009, in Los Angeles County, California.



Casey Kim